

**SCHOOL DISTRICT  
OF  
PALMYRA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Palmyra Board of Education**

**Palmyra, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**of the**

**Palmyra Board of Education**

**Palmyra, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

**Prepared by**

**Jared Toscano**

**School Business Administrator/Board Secretary**



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## **INTRODUCTORY SECTION**



# PALMYRA BOARD OF EDUCATION

## PALMYRA, N.J. 08065

Mark Pease  
*Superintendent of Schools*

Administrative Office  
301 Delaware Avenue  
856-786-9300  
FAX: 856-829-9638

Jared Toscano  
*Business Administrator/  
Board Secretary*

November 15, 2023

### **1. Reporting Entity and Its Services**

The Palmyra Borough Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the District are included in this report. The Palmyra Borough Board of Education and all of its schools constitute the District's reporting entity.

The District provides a wide range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, special area enrichment as well as special education programs for children with "special needs" including "gifted" and "learning disabled". The District completed the 2022-2023 fiscal year with an average enrollment of 1,095 students.

### **2. Economic Condition and Outlook:**

Palmyra is a residential community that has a total of 1.92 square miles and is located on the East side of the Delaware River directly across from the northern end of the City of Philadelphia. It serves as the eastern terminus of the Tacony-Palmyra Bridge, which spans the Delaware River. It is readily accessible to many major highways including Route #73, Route #I-295, Route #130 and the New Jersey Turnpike. Route #130 and Route #73 are direct access routes to Philadelphia. Conrail and New Jersey Transit have a train station in Palmyra and runs through the heart of the Borough's business district. The Palmyra School District is a three building district, which is located on the Delaware River in close proximity to Philadelphia and Trenton.

### **3. Major Initiatives:**

Continued with 5-year technology cycle for one-to-one Chromebooks, staff laptops, and Smartboard technology throughout the district.

Ongoing digital and infrastructure upgrades in support of wireless access and remote learning.

Refinished the flooring and installed new bleachers in the PHS gymnasium.

Updated HVAC micro melt for CSS units, and upgrades for AAon units at PHS.

Microsoft Office 365 migration was completed for data security purposes.

Renegotiated a 3-year contract with the Palmyra Police Department for the SRO position.

#### **4. Internal Accounting Controls:**

The Administration of the District is responsible for establishing and maintaining an internal control structure. It is designated to ensure that the assets of the District are protected from loss, theft or misuse. It also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with General Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by administration.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensuring compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District Administration.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **5. Budgetary Controls:**

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budgets and adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balances as of June 30, 2023.

#### **6. Accounting Systems and Reports:**

The District accounting records reflect Generally Accepted Accounting Principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.

#### **7. Debt Administration:**

At June 30, 2023, the District's outstanding debt consisted of Series 2017 school refunding bonds, in the amount of \$4,440,000. The Unvoted amount of Debt is \$9,710,176 or 45%.

**8. Cash Management:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

**9. Risk Management:**

The Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and theft insurance on property, contents and fidelity bonds.

**10. Other Information:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education, at its reorganization meeting, appointed the accounting firm of Nightlinger, Colavita & Volpa, PA. In addition to meeting the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-0MB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, the auditor's report on the general-purpose financial statements and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

**11. Acknowledgements:**

We would like to express our appreciation to the members of the Borough of Palmyra School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

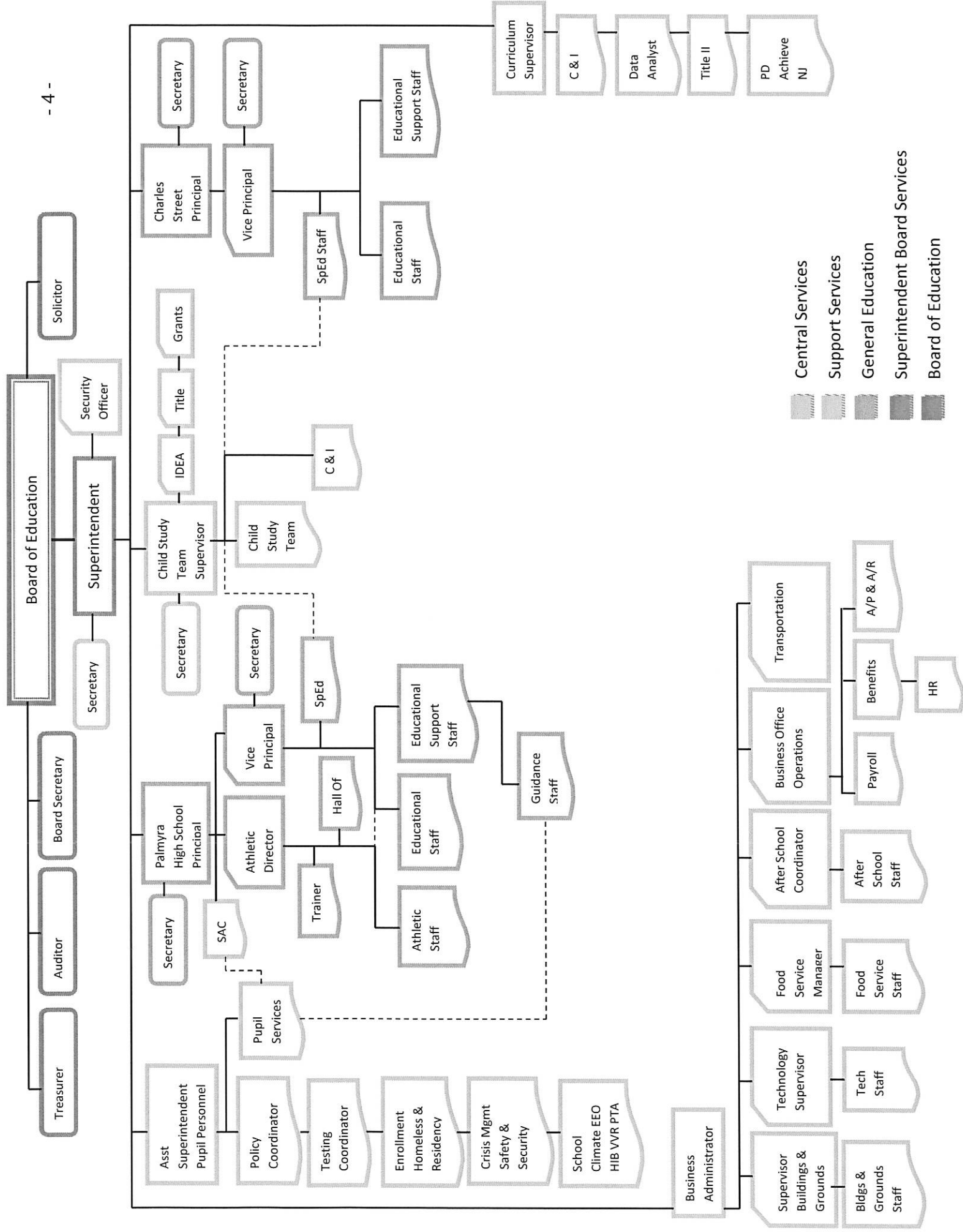
*Mark Pease*

Mark Pease  
Superintendent of Schools

*Jared Toscano*

Jared Toscano  
Business Administrator/ Board Secretary





**BOROUGH OF PALMYRA BOARD OF EDUCATION**  
**PALMYRA, NEW JERSEY**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2023**

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Sean Toner	President	2023
Amy Austin	Vice President	2024
Erica Campbell	Board Member	2024
James Dickinson	Board Member	2024
Judy Belton	Board Member	2023
Jennifer Mossgrove	Board Member	2023
Erica Celley	Board Member	2025
Cara Broadbelt	Board Member	2025
Kate Allen-Yoakum	Board Member	2025
<b><u>Other Officials</u></b>		<u>Amount of Bond</u>
Brian J. McBride (To September 24, 2023)	Superintendent of Schools	
Mark Pease (From September 25, 2023)	Interim Superintendent of Schools	
Jared Toscano	Business Administrator/ Board Secretary	175,000
Donna Gidjunis	Treasurer of School Monies	250,000

**BOROUGH OF PALMYRA BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Joseph Betley, Esquire**  
**Acting for Capehart and Scatchard, P.A.**  
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Mount Laurel, NJ 08054

**BOND COUNSEL**

**McManimon, Scotland, Bauman**  
75 Livingston Avenue  
Roseland, NJ 07068

**OFFICIAL DEPOSITORY**

**Investors Bank**  
124 East Main Street  
Maple Shade, NJ 08052

**FINANCIAL ADVISOR**

**Phoenix Advisors, LLC**  
4 West Park Street  
Bordentown, NJ 08505

## **FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Palmyra Borough School District  
County of Burlington, New Jersey 08065

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Palmyra Borough School District in the County of Burlington, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Palmyra Borough School District in the County of Burlington, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023 on our consideration of the Palmyra Borough Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Palmyra Borough Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Palmyra Borough School District's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
November 15, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



**BOROUGH OF PALMYRA BOARD OF EDUCATION  
SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2023**

This section of the Borough of Palmyra Board of Education School District annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2022-23) and the prior year (2021-22) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-23 fiscal year include the following:

- Net Position for Governmental and Business-Type activities were \$7,882,283 and \$382,043, respectively.
- Net Position for the Governmental activities increased by \$1,171,088 from operations while the Net Position for Business-Type activities decreased by \$102,948 from July 1, 2022 to June 30, 2023.
- The General Fund, fund balance as of June 30, 2023 was \$6,942,821, an increase of \$887,363 when compared with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts - Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Borough of Palmyra School District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Borough of Palmyra School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Borough of Palmyra School District, reporting the Borough of Palmyra School District's operation in more detail than the School Government-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the Borough of Palmyra School District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Borough of Palmyra School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1

**MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the School District operates similar to private businesses: Food Service Fund, After School Program
Required Financial Statements	Statement of Net Position	Balance Sheet	Statement of Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Revenues, Expenses and Changes in Fund Net Position
			Statement of Cash Flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**Government-Wide Statements**

The government-wide statements report information about the Borough of Palmyra School District, as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Borough of Palmyra School District's net position and how they have changed. Net position - the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources - are a measure of the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the School District you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the School District's activities are shown in two categories:

- *Governmental activities*- Most of the School District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The School District charges fees to customers to help it cover the costs of certain services it provides. The School District's Food Service Program and After School Program are included here.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the School District's funds - focusing on the most significant or "major" funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The School District has three kinds of funds:

- **Governmental funds** - Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
- **Fiduciary funds** - The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the School District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE BOROUGH OF PALMYRA SCHOOL DISTRICT AS A WHOLE

**Net Position.** The School District's net position for the fiscal years ended June 30, 2022 and 2023 are reflected in the following table.

Table 1  
**NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and Other Assets	\$ 7,765,761	\$ 6,255,147	\$ 400,436	\$ 457,527	\$ 8,166,197	\$ 6,712,674
Capital Assets, Net	8,641,433	9,331,403	33,994	38,375	8,675,427	9,369,778
Total Assets	16,407,194	15,586,550	434,430	495,902	16,841,624	16,082,452
<b>Deferred Outflows of Resources</b>	640,681	573,816			640,681	573,816
<b>Liabilities</b>						
Other Liabilities	733,471	61,183	52,387	10,911	785,858	72,094
Non-Current Liabilities	7,988,313	8,044,556			7,988,313	8,044,556
Total Liabilities	8,721,784	8,105,739	52,387	10,911	8,774,171	8,116,650
<b>Deferred Inflows of Resources</b>		1,343,432			-	1,343,432
<b>Net Position</b>						
Invested in Capital Assets, Net of Debt	3,278,393	3,896,044	33,994	38,375	3,312,387	3,934,419
Restricted	6,000,655	5,445,165			6,000,655	5,445,165
Unrestricted (Deficit)	(1,396,765)	(2,630,014)	348,049	446,616	(1,048,716)	(2,183,398)
Total Net Position	\$ 7,882,283	\$ 6,711,195	\$ 382,043	\$ 484,991	\$ 8,264,326	\$ 7,196,186

The School District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$8,005,069.
  - ✓ Operating Grants & Contributions - \$5,077,208.
  - ✓ Charges for Services - \$2,927,861.
- General revenues amounted to \$18,232,559.
- Total Program Expenditures were \$25,169,488.
- Total School District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$8,264,326 as of June 30, 2023:
 
$$\text{Revenues } (\$26,237,628) + \text{Beginning net position } (\$7,196,186) - \text{Net expenditures } (\$25,169,488) = \text{Net Position of } \$8,264,326.$$

**Changes in Net Position** - Net position for governmental and business-type activities increased from June 30, 2022 to June 30, 2023 as reflected in the following table.

Table 2  
**CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,548,158	\$ 2,217,527	\$ 379,703	\$ 214,348	\$ 2,927,861	\$ 2,431,875
Operating Grants and Contributions	4,748,417	3,319,647	328,791	654,831	5,077,208	3,974,478
General Revenues:						
Property Taxes	11,208,189	10,711,921			11,208,189	10,711,921
Grants and Contributions	6,874,624	7,342,420			6,874,624	7,342,420
Other	148,735	(399,938)	1,011	248	149,746	(399,690)
Total Revenues	25,528,123	23,191,577	709,505	869,427	26,237,628	24,061,004
Expenses						
Instruction	8,602,722	7,803,040			8,602,722	7,803,040
Support Services	15,561,089	14,782,778			15,561,089	14,782,778
Interest on Debt and Related Costs	193,224	230,111			193,224	230,111
Food Services			616,603	646,932	616,603	646,932
Childcare			195,850	147,554	195,850	147,554
Total Expenses	24,357,035	22,815,929	812,453	794,486	25,169,488	23,610,415
Increase (Decrease) in Net Position	1,171,088	375,648	(102,948)	74,941	1,068,140	450,589
Net Position, July 1	6,711,195	6,335,547	484,991	410,050	7,196,186	6,745,597
Net Position, June 30	\$ 7,882,283	\$ 6,711,195	\$ 382,043	\$ 484,991	\$ 8,264,326	\$ 7,196,186

Total revenues for the School District were \$26,237,828. Government funding of \$11,951,832 was the source of 45.6% of the School District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$11,208,189 provided 42.7% of revenues. Charges for services provided 11.2% of revenues.

Other miscellaneous revenues of \$149,746 represent 0.5% of the School District revenues. Miscellaneous revenue was primarily provided from interest, refunds and athletic sales.

The School District's expenses for government activities are predominantly related to instruction and support services. Instruction and tuition totaled \$10,357,548 (41.2%) of total expenditures. Student and instruction or related support services totaled \$3,291,766 or (13.1%) of total expenditures. Employee benefits of \$5,371,511 accounted for (21.3%) of expenditures, plant operations totaled \$2,377,239 (9.4%) of total expenditures and transportation, general, school and business administrative services totaled \$2,765,747 (11.0%). Interest on long-term debt totaled \$193,224 (0.8%).

Total revenues exceeded expenditures for governmental activities, increasing net position by \$1,171,088 from the beginning balance at July 1, 2023.

### **Activity Descriptions**

**Instruction expenses** include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

**Tuition expenses** include the cost to the School District to send pupils with special needs living within the School District to private schools and/or schools outside the School District area.

**Student and instruction related services** include the activities designed to assess and improve the well being of students and to supplement the teaching process.

**School Administrative and General and Business Administrative services** include expenses associated with establishing and administering policy for the School District including financial supervision.

**Plant operation and maintenance of plant activities** involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

**Pupil transportation** includes activities involved with the conveyance of students to and from school, as well as to and from student activities as provided by State law and Board Policy.

**Unallocated benefits** include the cost of benefits for the School District staff for social security, retirement contributions, worker's compensation, health benefits, pension expense and other employee benefits.

**Interest on long-term debt and amortization of bond issuance costs** involve the transactions associated with the payment of interest and other related charges to the debt of the School District.

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The financial performance of the Borough of Palmyra School District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the School District completed the year, its governmental funds reported a combined fund balance of \$7,069,546.

All governmental funds had total revenues of \$27,139,463 and total expenditures of \$26,231,341, in addition to a transfer out to charter schools of \$76,147.

### **GENERAL FUND BUDGETING HIGHLIGHTS**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The General Fund includes the primary operations of the School District in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.



The following schedule presents a summary of Governmental Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**Table 3**  
**GOVERNMENTAL FUNDS COMPARISON OF REVENUES**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>% of Increase (Decrease)</u>
Revenues:				
Local Sources:				
Local Tax Levy	\$ 11,208,189	\$ 10,711,921	\$ 496,268	4.63%
Tuition & Transportation	2,390,831	2,059,314	331,517	16.10%
Miscellaneous and Local Grants	382,209	274,822	107,387	39.08%
Total	<u>13,981,229</u>	<u>13,046,057</u>	<u>935,172</u>	<u>7.17%</u>
Government Sources:				
State Sources	11,241,416	9,694,239	1,547,177	15.96%
Federal Sources	1,916,818	1,298,104	618,714	47.66%
Total	<u>13,158,234</u>	<u>10,992,343</u>	<u>2,165,891</u>	<u>19.70%</u>
Total Revenues	<u>\$ 27,139,463</u>	<u>\$ 24,038,400</u>	<u>\$ 3,101,063</u>	<u>12.90%</u>

One of the primary sources of funding for the School District is received from local property taxes and accounted for 41.3% of total revenues. State aid accounted for 48.5% of total revenues.

Total Governmental Fund revenues increased by \$3,101,063, or 12.9%, from the previous year. The major component of this increase was an increase in taxes and state sources.

The following schedule presents a summary of Governmental Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

**Table 4**  
**GOVERNMENTAL FUNDS COMPARISON OF EXPENDITURES**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Expenditures				
Instruction				
Regular	\$ 5,252,487	\$ 4,911,947	\$ 340,540	6.93%
Special Education	2,566,025	2,129,543	436,482	20.50%
Other	784,210	761,550	22,660	2.98%
Total Instruction	<u>8,602,722</u>	<u>7,803,040</u>	<u>799,682</u>	<u>10.25%</u>
Support Services				
Tuition	1,754,826	1,721,901	32,925	1.91%
Student and Instruction Related Services	3,291,766	2,434,481	857,285	35.21%
School Administration	542,588	562,394	(19,806)	-3.52%
General/Business Administration	791,762	795,368	(3,606)	-0.45%
Plant Operations and Maintenance	2,365,543	1,691,002	674,541	39.89%
Pupil Transportation	705,277	510,861	194,416	38.06%
Unallocated Benefits	3,308,945	3,404,256	(95,311)	-2.80%
TPAF and FICA Reimbursements	3,994,639	3,771,275	223,364	5.92%
Total Support Services	<u>16,755,346</u>	<u>14,891,538</u>	<u>1,863,808</u>	<u>12.52%</u>
Capital Outlay	<u>63,848</u>	<u>13,251</u>	<u>50,597</u>	<u>381.84%</u>
Debt Service	<u>809,425</u>	<u>673,625</u>	<u>135,800</u>	<u>20.16%</u>
Total Expenditures	<u>\$ 26,231,341</u>	<u>\$ 23,381,454</u>	<u>\$ 2,849,887</u>	<u>12.19%</u>

Total Governmental Fund expenditures increased \$2,849,887 or 12.2% from the previous year, which included increased grant activity.

The Borough of Palmyra School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2023, the School District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

## DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$809,425 where funding was provided by the local tax levy and Debt Service Aid.

## FOOD SERVICE PROPRIETARY FUND

The Food Service Fund's net position was \$238,667 as of June 30, 2023. This reflects an decrease of \$46,396 from June 30, 2022.

## AFTER SCHOOL PROGRAM PROPRIETARY FUND

The After School Program Fund's net position was \$143,376 as of June 30, 2023. This reflects an decrease of \$56,552 from June 30, 2022.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2023, the School District had capital assets allocated to governmental activities with a net book value of \$8,641,433 and business-type activities of \$33,994. This consists of a broad range of capital assets, including land, land improvements, buildings and improvements, furniture, fixtures and equipment, and right-to-use lease assets. Total depreciation expense for the year was \$689,970.

Table 5  
**CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 46,066	\$ 46,066	\$	\$	\$ 46,066	\$ 46,066
Building and Improvements	8,296,323	8,920,912			8,296,323	8,920,912
Vehicles	61,369	78,079			61,369	78,079
Furniture, Fixtures and Equipment	225,042	261,081	33,994	38,375	259,036	299,456
Right-to-Use Lease Assets	12,633	25,265			12,633	
Total	<u>\$ 8,641,433</u>	<u>\$ 9,331,403</u>	<u>\$ 33,994</u>	<u>\$ 38,375</u>	<u>\$ 8,675,427</u>	<u>\$ 9,344,513</u>



## Debt Administration - Long-term Obligations

At fiscal year-end, the School District had \$4,440,000 in general obligation bonds outstanding, a decrease of \$635,000 from last fiscal year. This reduction was due to payment of principal. The School District does not anticipate incurring any new long-term debt at this time.

The School District's has a right-to-use lease liability, in the amount of \$17,030.

The School District also had a \$327,568 liability for compensated absences allocated to government activities. This liability represents the School District's contractual obligation to compensate employees for accumulated unused sick and vacation leave entitlements upon retirement.

The School District's proportionate share of net pension liability was \$2,754,688.

Table 6  
**SCHEDULE OF LONG TERM OBLIGATIONS**

	2023	2022	Increase (Decrease)	Percent Change
Bonds Payable	\$ 4,440,000	\$ 5,075,000	\$ (635,000)	-12.51%
Add: Issuance Premium	449,027	511,319	(62,292)	-12.18%
Total Bonds Payable	4,889,027	5,586,319	(697,292)	
Compensated Absences	327,568	321,593	5,975	1.86%
Net Pension Liability	2,754,688	2,103,612	651,076	30.95%
Right-to-Use Lease Liability	17,030	33,032	(16,002)	100.00%
Total	\$ 7,988,313	\$ 8,044,556	\$ (56,243)	-0.70%

## THE FUTURE OUTLOOK

The Borough of Palmyra School District is presently in a stable financial position.

The School District has done a commendable job managing the budget through changing state regulations and unfunded mandates. The over reliance on fund balances in prior years and the level of property tax support for the School District has been stabilized. The School District remains committed to serving students and taxpayers and it continues to strive for an exceptional program and a stable tax rate.

The School District's system for financial planning, budgeting and internal controls are continually reviewed, in an effort to align routine operational processes with the continually changing educational demands, as well as those demands imposed upon the School District by outside authorities having jurisdiction. The School District is committed to continuing its sound fiscal management to meet the challenges of the future.

## CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Jared Toscano, at:

Borough of Palmyra Board of Education, 301 Delaware Ave., Palmyra, New Jersey 08065.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Statement of Net Position

For the Fiscal Year Ended June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 6,027,574	\$ 357,216	\$ 6,384,790
Receivables, Net	1,738,187	21,705	1,759,892
Inventory		21,515	21,515
Capital Assets, Net (Note 6)	8,641,433	33,994	8,675,427
Total Assets	16,407,194	434,430	16,841,624
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Refunding	96,550		96,550
Related to Pensions (Note 9)	544,131		544,131
Total Deferred Outflows of Resources	640,681		640,681
LIABILITIES:			
Accounts Payable	696,215	33,505	729,720
Accrued Interest	37,256		37,256
Unearned Revenue	-	18,882	18,882
Noncurrent Liabilities (Note 7):			
Due within One Year	669,197		669,197
Due beyond One Year	7,319,116		7,319,116
Total Liabilities	8,721,784	52,387	8,774,171
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	443,808		443,808
NET POSITION:			
Net Investment in Capital Assets	3,278,393	33,994	3,312,387
Restricted for:			
Unemployment Compensation	264,515		264,515
Scholarships	66,464		66,464
Student Activity	114,280		114,280
Capital Projects	1,750,320		1,750,320
Maintenance Reserve	1,199,898		1,199,898
Other Purposes	2,605,178		2,605,178
Unrestricted (Deficit)	(1,396,765)	348,049	(1,048,716)
Total Net Position	\$ 7,882,283	\$ 382,043	\$ 8,264,326

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Statement of Activities

For the Fiscal Year Ended June 30, 2023

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:						
Instruction:						
Regular	\$ 5,252,487	\$ 2,390,831			\$ (2,861,656)	\$ (2,861,656)
Special Education	2,566,025		\$ 1,424,750		(1,141,275)	(1,141,275)
Other Special Instruction	784,210				(784,210)	(784,210)
Support Services:						
Tuition	1,754,826				(1,754,826)	(1,754,826)
Student and Instruction Related Services	3,291,766	157,327	1,124,726		(2,009,713)	(2,009,713)
School Administrative Services	1,268,708				(1,268,708)	(1,268,708)
General and Business Administrative Services	791,762				(791,762)	(791,762)
Plant Operations and Maintenance	2,377,239				(2,377,239)	(2,377,239)
Pupil Transportation	705,277				(705,277)	(705,277)
Unallocated Benefits	5,371,511		2,198,941		(3,172,570)	(3,172,570)
Interest on Long-Term Debt	193,224				(193,224)	(193,224)
Total Governmental Activities	24,357,035	2,548,158	4,748,417		(17,060,460)	(17,060,460)
Business-Type Activities:						
Food Service	616,603	240,405	328,791		(47,407)	(47,407)
After School Program	195,850	139,298			(56,552)	(56,552)
Total Business-Type Activities	812,453	379,703	328,791		(103,959)	(103,959)
Total Government	\$ 25,169,488	\$ 2,927,861	\$ 5,077,208		(17,060,460)	(17,164,419)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net					10,505,782	10,505,782
Property Taxes Levied for Debt Service					702,407	702,407
Federal and State Aid not Restricted					6,874,624	6,874,624
Miscellaneous Income					148,735	149,746
Total General Revenues					18,231,548	18,232,559
Change in Net Position					1,171,088	1,068,140
Net Position -- July 1					6,711,195	7,196,186
Net Position -- June 30					\$ 7,882,283	\$ 8,264,326

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

## **GOVERNMENTAL FUNDS**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Governmental Funds

Balance Sheet

For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 5,844,080	\$ 180,744	\$ 6,024,824
Receivables, net:			
Interfunds Receivable:			
Special Revenue Fund	209,730		209,730
Food Service	2,750		2,750
Receivables from Other Governments:			
State Sources	404,838	4,497	409,335
Federal Sources		207,638	207,638
Local Sources	1,121,214		1,121,214
Total Assets	<u>\$ 7,582,612</u>	<u>\$ 392,879</u>	<u>\$ 7,975,491</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 628,221	\$ 18,893	\$ 647,114
Unemployment Compensation Claims Payable	824		824
Flexible Spending Reserve	10,746		10,746
Interfunds Payable:			
General Fund		209,730	209,730
Unearned Revenue		37,531	37,531
Total Liabilities	<u>639,791</u>	<u>266,154</u>	<u>905,945</u>
Fund Balances:			
Restricted:			
Excess Surplus	1,196,940		1,196,940
Excess Surplus - Subsequent Year's Expenditures	1,408,238		1,408,238
Capital Reserve	1,750,320		1,750,320
Maintenance Reserve	1,199,898		1,199,898
Unemployment Compensation	264,515		264,515
Scholarships		66,464	66,464
Student Activities		114,280	114,280
Assigned:			
Subsequent Year's Expenditures	781,591		781,591
Unassigned	341,319	(54,019)	287,300
Total Fund Balances	<u>6,942,821</u>	<u>126,725</u>	<u>7,069,546</u>
Total Liabilities and Fund Balances	<u>\$ 7,582,612</u>	<u>\$ 392,879</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,052,752, and the accumulated depreciation is \$14,411,319.	8,641,433
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,233,625)
Net Pension Liability	(2,754,688)
Deferred Outflows of Resources - Related to Pensions	544,131
Deferred Inflows of Resources - Related to Pensions	(443,808)
Deferred loss on defeasance of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.	96,550
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(37,256)
Net Position of Governmental Activities	<u>\$ 7,882,283</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Tax Levy	\$ 10,505,782	\$	\$ 702,407	\$ 11,208,189
Tuition and Transportation	2,390,831			2,390,831
Miscellaneous	195,346			195,346
Other Restricted Miscellaneous Revenue	18,722			18,722
State Sources	10,681,259	453,139	107,018	11,241,416
Local Sources		168,141		168,141
Federal Sources	28,134	1,888,684		1,916,818
Total Revenues	23,820,074	2,509,964	809,425	27,139,463
<b>EXPENDITURES:</b>				
Regular Instruction	5,252,487			5,252,487
Special Education Instruction	1,141,275	1,424,750		2,566,025
Other Special Instruction	784,210			784,210
Support Services and Undistributed Costs:				
Tuition	1,754,826			1,754,826
Student and Instruction Related Services	2,167,040	1,124,726		3,291,766
School Administrative Services	542,588			542,588
Other Administrative Services	791,762			791,762
Plant Operations and Maintenance	2,365,543			2,365,543
Pupil Transportation	705,277			705,277
Unallocated Benefits	7,303,584			7,303,584
Debt Service:				
Principal			635,000	635,000
Interest and Other Charges			174,425	174,425
Capital Outlay	47,972	15,876		63,848
Total Expenditures	22,856,564	2,565,352	809,425	26,231,341
Excess (Deficiency) of Revenues over Expenditures	963,510	(55,388)		908,122
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer of Funds to Charter School	(76,147)			(76,147)
Total Other Financing Sources (Uses)	(76,147)			(76,147)
Net Change in Fund Balances	887,363	(55,388)		831,975
Fund Balance - July 1	6,055,458	182,113		6,237,571
Fund Balance - June 30	\$ 6,942,821	\$ 126,725	\$	\$ 7,069,546

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities

For the Fiscal Year Ended June 30, 2023

Total Net Change in Fund Balances - Governmental Funds		\$ 831,975
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (726,120)	
Capital Outlays	<u>36,150</u>	
		(689,970)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		635,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)		6,351
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		402,855
Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		16,002
In the Statement of Activities, deferred losses on debt refunding are amortized over the life of the debt. However, in the governmental fund, no expenditures are incurred.		(25,150)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(5,975)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,171,088</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **PROPRIETARY FUNDS**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Funds

Business-Type Activities - Enterprise Funds

Statement of Net Position

June 30, 2023

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 216,590	\$ 143,376	\$ 359,966
Accounts Receivable:			
State	485	.	485
Federal	12,415		12,415
Other	8,805		8,805
Inventories	21,515		21,515
Total Current Assets	<u>259,810</u>	<u>143,376</u>	<u>403,186</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	337,711		337,711
Less Accumulated Depreciation	(303,717)		(303,717)
Total Noncurrent Assets	<u>33,994</u>		<u>33,994</u>
Total Assets	<u>293,804</u>	<u>143,376</u>	<u>437,180</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	33,505		33,505
Interfund Accounts Payable	2,750		2,750
Unearned Revenue	18,882		18,882
Total Liabilities	<u>55,137</u>		<u>55,137</u>
<b>NET POSITION:</b>			
Restricted:			
Net Investment in Capital Assets	33,994		33,994
Unrestricted	204,673	143,376	348,049
Total Net Position	<u>\$ 238,667</u>	<u>\$ 143,376</u>	<u>\$ 382,043</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Funds

Business-Type Activities - Enterprise Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 122,144	\$	\$ 122,144
Reimbursable Program -- School Lunch	118,261		118,261
Child Care Fees		139,298	139,298
Total Operating Revenues	<u>240,405</u>	<u>139,298</u>	<u>379,703</u>
OPERATING EXPENSES:			
Salaries	229,784	158,741	388,525
Management Fee	25,789		25,789
General Supplies	1,267	6,039	7,306
Direct Expenses	4,503		4,503
Depreciation	4,381		4,381
Other Professional and Technical Services	34,932	31,070	66,002
Cost of Sales - Reimbursable Programs	260,495		260,495
Cost of Sales - Non-reimbursable Programs	55,452		55,452
Total Operating Expenses	<u>616,603</u>	<u>195,850</u>	<u>812,453</u>
Operating Income / (Loss)	<u>(376,198)</u>	<u>(56,552)</u>	<u>(432,750)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Breakfast Program	857		857
State School Lunch Program	8,058		8,058
Federal Sources:			
National School Breakfast Program	36,996		36,996
National School Lunch Program	192,883		192,883
Supply Chain Assistance Funding	34,722		34,722
Food Distribution Program	55,275		55,275
Interest Revenue	1,011		1,011
Total Nonoperating Revenues	<u>329,802</u>		<u>329,802</u>
Change in Net Position	(46,396)	(56,552)	(102,948)
Net Position -- July 1	285,063	199,928	484,991
Net Position -- June 30	<u>\$ 238,667</u>	<u>\$ 143,376</u>	<u>\$ 382,043</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Funds

Business-Type Activities - Enterprise Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

	Food Service	After School Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 268,502	\$ 143,398	\$ 411,900
Payments to Management Company	(25,789)		(25,789)
Payments to Employees	(229,784)	(158,741)	(388,525)
Payments for Employee Benefits			0
Payments for Supplies and Services	(321,560)	(37,109)	(358,669)
Net Cash Provided by (Used for) Operating Activities	(308,631)	(52,452)	(361,083)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	8,058		8,058
Federal Sources	320,733		320,733
Net Cash Provided by (Used for) Non-Capital Financing Activities	328,791		328,791
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Purchase of Fixed Assets			
Net Cash Provided by (Used for) Capital Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	1,011		1,011
Net Increase in Cash and Cash Equivalents	21,171	(52,452)	(31,281)
Cash and Cash Equivalents -- July 1	195,419	195,828	391,247
Cash and Cash Equivalents -- June 30	\$ 216,590	\$ 143,376	\$ 359,966
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (376,198)	\$ (56,552)	\$ (432,750)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	4,381		4,381
(Increase) Decrease in Accounts Receivable	27,917	4,100	32,017
(Increase) Decrease in Inventories	(9,137)		(9,137)
(Increase) Decrease in Interfund Receivable	180		180
Increase (Decrease) in Unearned Revenue	7,971		7,971
Increase (Decrease) in Interfund Payable	2,750		2,750
Increase (Decrease) in Accounts Payable	33,505		33,505
Total Adjustments	67,567	4,100	71,667
Net Cash Provided by (Used for) Operating Activities	\$ (308,631)	\$ (52,452)	\$ (361,083)

**Noncash Investing, Capital, and Financing Activities:**

During the year, the District received \$41,660 of food commodities from the U.S. Department of Agriculture

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Borough of Palmyra School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students from Palmyra Borough in grades Pre-K through 12 at its three schools. In addition, high school students from the City of Beverly and the Borough of Riverton attend Palmyra High School. The School District has an approximate enrollment at June 30, 2023 of 1,095.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units.

**Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

***General Fund*** - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

***Special Revenue Fund*** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

***Capital Projects Fund*** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account. The School District does not maintain a capital projects fund.

***Debt Service Fund*** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Proprietary Funds**

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

The School District reports the following major proprietary funds:

**Enterprise Funds**

***Food Service Fund*** - This fund accounts for the financial transactions related to the food service operations of the School District.

***After School Fund*** - This fund accounts for the financial activity related to providing day care services for School District students after school.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A- 13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets / Budgetary Control (Cont'd)**

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents and Investments (Cont'd)**

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 -50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 – 10
Computer equipment	5 – 10

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

In addition, the School District reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/ premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

***Non-spendable*** - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2023, the School District's bank balances of \$6,688,840 were exposed to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized under GUDPA by pledging financial institutions		<u>6,438,840</u>
	\$	<u><u>6,688,840</u></u>

As of June 30, 2023, the School District's cash balance of \$6,384,790 was allocated across the financial statements as follows:

Unrestricted Cash:

Governmental Funds, Balance Sheet	B-1	\$	6,024,824
Enterprise Funds, Statement of Net Position	B-4		<u>359,966</u>
Total Cash		\$	<u><u>6,384,790</u></u>

**NOTE 3: RESERVE ACCOUNTS**

**Capital Reserve** - Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3: RESERVE ACCOUNTS (CONT'D)**

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022	\$ 1,131,320
Add: Interest Earnings	
Interest Earnings	7,335
Resolution	611,665
Ending Balance June 30, 2023	<u>\$ 1,750,320</u>

**Maintenance Reserve** - New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022	\$ 1,399,898
Add: Interest Earnings	9,076
Less: Withdrawal	(209,076)
Ending Balance June 30, 2023	<u>\$ 1,199,898</u>

**NOTE 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General</b>	<b>Special</b>	<b>Enterprise</b>	
<b>Receivables:</b>	<b>Fund</b>	<b>Revenue</b>	<b>Funds</b>	<b>Total</b>
Governmental	\$ 1,526,052	\$ 212,135	\$ 12,900	\$ 1,751,087
Other			8,805	8,805
Totals	<u>\$ 1,526,052</u>	<u>\$ 212,135</u>	<u>\$ 21,705</u>	<u>\$ 1,759,892</u>

**NOTE 5: INVENTORY**

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, which includes \$21,515 of federal commodities, consisted of the following:

Food	\$ 4,365
Commodities	13,834
Supply	3,316
Totals	<u>\$ 21,515</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 6: CAPITAL ASSETS**

The Capital asset activity for the year ended June 30, 2023 was as follows

	<b>Balance 7/1/2022</b>	<b>Additions</b>	<b>Adjustment</b>	<b>Balance 6/30/2023</b>
<b>Governmental activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 46,066	\$	\$	\$ 46,066
Construction in Progress				
Total capital assets not being depreciated	46,066			46,066
Capital Assets being Depreciated and Amortized				
Land Improvements	449,615			449,615
Building and Improvements	21,008,650	6,250		21,014,900
Vehicles	298,137			298,137
Furniture, Fixtures & Equipment	1,150,972	29,900		1,180,872
Right-to-Use Lease Assets	63,162			63,162
Totals at historical cost	22,970,536	36,150	-	23,006,686
Less Accumulated Depreciation and Amortization				
Land Improvements	(449,615)			(449,615)
Building and Improvements	(12,087,738)	(630,839)		(12,718,577)
Vehicles	(220,058)	(16,710)		(236,768)
Furniture, Fixtures & Equipment	(889,891)	(65,939)		(955,830)
Right-to-Use Lease Assets	(37,897)	(12,632)		(50,529)
Total accumulated depreciation and Amortization	(13,685,199)	(726,120)	-	(14,411,319)
Total capital assets being depreciated and Amortized, Net of Accumulated Depreciation and Amortization	9,285,337	(689,970)	-	8,595,367
<b>Government activities capital assets, net</b>	<b>\$ 9,331,403</b>	<b>\$ (689,970)</b>	<b>\$ -</b>	<b>\$ 8,641,433</b>
	<b>To A-1</b>			<b>To A-1</b>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Furniture, Fixtures & Equipment	\$ 337,711	\$	\$	\$ 337,711
Less accumulated depreciation for:				
Furniture, Fixtures & Equipment	(299,336)	(4,381)		(303,717)
<b>Business-type activities capital assets, net</b>	<b>\$ 38,375</b>	<b>\$ (4,381)</b>	<b>\$</b>	<b>\$ 33,994</b>

\* Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 689,970
Total depreciation expense	<u>\$ 689,970</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

	<b>Beginning Balance 7/1/2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 6/30/2023</b>	<b>Amounts Due within One Year</b>	<b>Long-term Portion</b>
<b>Governmental Activities:</b>						
Bonds payable:						
General obligation debt	\$ 5,075,000	\$	\$ (635,000)	\$ 4,440,000	\$ 640,000	\$ 3,800,000
Add Amounts:						
Issuance Premium	511,319		(62,292)	449,027	62,292	386,735
Total bonds payable	5,586,319		(697,292)	4,889,027	702,292	4,186,735
Other Liabilities:						
Compensated absences payable	321,593	5,975		327,568		327,568
Net Pension Liability	2,103,612	651,076		2,754,688		2,754,688
Right-to-Use Lease Liability	33,032		16,002	17,030	17,030	-
Total Liabilities	\$ 8,044,556	\$ 657,051	\$ (681,290)	\$ 7,988,313	\$ 719,322	\$ 7,268,991
<b>Business-Type Activities:</b>						
Compensated absences payable	\$	\$	\$	\$	\$	\$
Total Long-Term Obligations	\$ 8,044,556	\$	\$ (681,290)	\$ 7,988,313	\$ 719,322	\$ 7,268,991

The bonds payable are generally liquidated by the debt service fund, while the compensated absences and net pension liability are liquidated by the general fund.

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$22,877,675. General obligation debt at June 30, 2023 is \$4,440,000 resulting in a legal debt margin of \$18,437,675.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 7: LONG-TERM OBLIGATIONS (CONT'D)**

**Bonds Payable (Cont'd) -**

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 640,000	\$ 149,025	\$ 789,025
2025	640,000	123,425	763,425
2026	640,000	104,225	744,225
2027	635,000	85,025	720,025
2028	635,000	62,800	697,800
2029	625,000	43,750	668,750
2030	625,000	21,875	646,875
	<u>\$ 4,440,000</u>	<u>\$ 590,125</u>	<u>\$ 5,030,125</u>

**Bonds Authorized but not Issued** - As of June 30, 2023, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to Note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**NOTE 8: LEASES**

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 8: LEASES (CONT'D)**

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2023, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 17,542	\$ 17,030	\$ 512
Total	<u>\$ 17,542</u>	<u>17,030</u>	<u>512</u>

**NOTE 9. PENSION PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$117,588. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$230,184 and \$207,958 respectively.

The total payroll for the year ended June 30, 2023 was \$11,071,952. Payroll covered by PERS was \$1,567,841 for fiscal year 2023.

**Components of Net Pension Liability** - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$2,754,688. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.018253% which was an increase of 0.00050% from its proportion measured as of June 30, 2021.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(150,446). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 19,882	\$ 17,533
Changes of assumptions	8,535	412,486
Net difference between projected and actual earnings on pension plan investments	114,014	
Changes in proportion	171,516	13,789
Contributions subsequent to the measurement date	230,184	
Total	\$ 544,131	\$ 443,808

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PERS
2023	\$ (118,091)
2024	(49,729)
2025	(28,129)
2026	65,249
2027	839
Thereafter	
Total	\$ (129,861)

**Additional Information** - Collective Balances at June 30, 2023 and 2022 are as follows:

Year	2023	2022
Collective deferred outflows of resources	\$ 544,131	\$ 389,824
Collective deferred inflows of resources	\$ 443,808	\$ 1,343,432
Collective Net Pension Liability	\$ 2,754,688	\$ 2,103,612
District's Proportion	0.018253%	0.017757%

**Actuarial Assumptions** - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Investment Rate of Return	7.00%
Salary Increases:	
(Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ <u>3,568,938</u>	\$ <u>2,754,688</u>	\$ <u>2,104,911</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$2,670,550 to the TPAF for pension contributions, \$701,547 for post-retirement benefits on behalf of the School, and \$1,135 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$621,407 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2023, the District recognized pension expense of \$857,987 and revenue of \$857,987 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>TPAF</u></b>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

TPAF		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 37,439,801	\$ 31,880,248	\$ 27,290,567
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP)**

**The Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

- 
1. State or Local Officials who are elected or appointed on or after July 1, 2007
  2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
  3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
  4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
  5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$7,655 and the District's employer contribution, recognized in pension expense, was \$4,176. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**State Health Benefit State Retired Employees Plan:**

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer’s participants.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$37,476,332. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.07400%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees.

Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount rate**

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

State of New Jersey	<b><u>Total OPEB Liability</u></b>
<b>Balance as of June 30, 2021 Measurement Date</b>	\$ <u>60,007,650,971</u>
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
<b>Net Changes</b>	<u>(9,361,188,004)</u>
<b>Balance as of June 30, 2022 Measurement Date</b>	\$ <u><u>50,646,462,967</u></u>

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<b><u>June 30, 2022</u></b>		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.54%	3.54%	4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<b><u>June 30, 2022</u></b>		
Healthcare Cost Trend		
1.00% Decrease	Rate	1.00% Increase
\$ 41,862,397,291	50,646,462,966	62,184,866,635

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the School District recognized OPEB expense of \$960,917. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences Between Expected and Actual Experience	\$ 6,691,012	\$ (11,441,957)
Changes of Assumptions	6,486,204	(12,754,896)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,048,630	(837,407)
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 14,225,846</u>	<u>\$ (25,034,260)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<b><u>Measurement Period Ending June 30,</u></b>	<b><u>OPEB</u></b>
2023	\$ 4,284,684
2024	4,284,684
2025	4,284,684
2026	4,534,026
2027	5,248,239
Thereafter	<u>16,623,790</u>
Total	<u>\$ 39,260,107</u>

**NOTE 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post- retirement medical costs, and long-term disability insurance were \$2,670,550, \$701,547, and \$1,135, respectively. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$621,407 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**NOTE 12: RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 12: RISK MANAGEMENT (CONT'D)**

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<b><u>Fiscal Year</u></b> <b><u>Ended June 30,</u></b>	<b><u>School District</u></b> <b><u>Contributions</u></b>	<b><u>Employee</u></b> <b><u>Contributions</u></b>	<b><u>Interest</u></b> <b><u>Income</u></b>	<b><u>Claims</u></b> <b><u>Incurred</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
2023	\$ 25,237	\$ 29,207	\$ 2,311	\$ 12,070	\$ 264,515
2022		18,752	436		219,830
2021	25,000	29,119	551	8,069	200,642

**Joint Insurance Fund** - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Property (Including Crime and Auto Physical  
Damage) General and Auto Liability  
School Board Legal Liability  
Boiler and Machinery  
Pollution/Environmental Legal  
Liability Blanket Dishonesty Bond

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

For more information regarding claims, coverage's and deductibles, the Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

School Alliance Insurance Fund  
51 Everett Drive, Suite B-40  
West Windsor, New Jersey 08550

**NOTE 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of three deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

*Lincoln Investment Planning*  
*AXA Equitable*  
*Vanguard*

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 14: COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023 the liability for compensated absences reported on the government-wide statement of net position was \$327,568.

**NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2023 is as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 212,480	
Special Revenue Fund		\$ 209,730
Food Service		2,750
Total	<u>\$ 212,480</u>	<u>\$ 212,480</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2023, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**NOTE 16: CAPITAL DEBT REFUNDING**

On September 14, 2016, the School District issued \$8,365,000 in general obligation bonds with interest rates varying from 2.00% to 4.00% to refund \$8,625,000 of outstanding 2006 series bonds with interest rates varying from 4.00% to 4.25% and 2009 series bonds with interest rates varying from 2.50% to 4.00%. The bonds were issued at a premium of \$872,094. The net proceeds of \$9,116,749 (after payment of issuance costs of \$120,345) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2009 series bonds. As a result of the current refunding, the School District will reduce its total debt service payments over the next ten years by \$473,679, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$432,414, or 5.01% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the School District's financial statements.

In addition, the School District previously elected to implement GASB Statement No. 65 and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2022-23 School Year, \$87,442 was amortized, resulting in a balance in Deferred Outflows of Resources of \$96,550, as of June 30, 2023.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 17: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

**Litigation** - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**NOTE 18: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**NOTE 19: DEFICIT FUND BALANCES**

N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, a general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

As of June 30, 2023, the District had no deficit in fund balance (modified accrual basis).

**NOTE 20: FUND BALANCES**

**NONSPENDABLE**

As stated in Note 1, the non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no non-spendable fund balances of the School District as of June 30, 2023.

**RESTRICTED**

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 20: FUND BALANCES (CONT'D)**

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$2,605,178, of which \$1,408,238 was assigned for utilization in the 2023-24 budget and \$1,196,940 will be utilized in the 2024-25 budget.

**RESTRICTED (Continued)**

**For Capital Reserve Account** - As of June 30, 2023, the balance in the capital reserve account is 1,750,320. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2023, the balance in the maintenance reserve account is \$1,199,898. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73(S1701).

**COMMITTED**

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. There were no specific commitments of the School District's fund balance at June 30, 2023.

**ASSIGNED**

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund**

**For Subsequent Year's Expenditures** - The District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024 \$781,591 of general fund balance at June 30, 2023.

**Other Purposes** - As of June 30, 2023, the School District had no encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 20: FUND BALANCES (CONT'D)**

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2023, the School District has a fund balance of \$341,319 in the general fund. See Note 19.

**NOTE 21: SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
General Fund:					
Local Sources:					
Local Tax Levy	\$ 10,505,782	\$ \$	\$ 10,505,782	\$ 10,505,782	\$
Tuition from Individuals				5,200	5,200
Tuition from Other LEAs within the State	2,275,909		2,275,909	2,385,631	109,722
Interest on Maintenance Reserve	5,933		5,933	9,076	3,143
Interest on Capital Reserve	4,301		4,301	7,335	3,034
Other Restricted Miscellaneous Revenues				2,311	2,311
Unrestricted Miscellaneous Revenues	25,000		25,000	195,346	170,346
Total - Local Sources	12,816,925		12,816,925	13,110,681	293,756
State Sources:					
Special Education Categorical Aid	696,197		696,197	696,197	
Equalization Aid	5,362,445		5,362,445	5,362,445	
Security Aid	218,608		218,608	218,608	
Adjustment Aid	102,575		102,575	102,575	
Transportation Aid	97,770		97,770	97,770	
Extraordinary Aid				336,413	336,413
Reimbursed TPAF Social Security Contributions (non-budgeted)				621,407	621,407
On-behalf TPAF Pension Contributions - Normal (non-budgeted)				2,670,550	2,670,550
On-behalf TPAF Medical Contributions (non-budgeted)				701,547	701,547
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,135	1,135
Total - State Sources	6,477,595		6,477,595	10,808,647	4,331,052
Federal Sources:					
Medicaid Administrative Claiming Aid					
Medical Reimbursement Program (SEMI)	31,532		31,532	28,134	(3,398)
Total - Federal Sources	31,532		31,532	28,134	(3,398)
Total Revenues	19,326,052		19,326,052	23,947,462	4,621,410

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 185,235	16,278	\$ 201,513	\$ 201,513	\$ -
Grades 1 - 5	1,721,103	(45,772)	1,675,331	1,497,506	177,825
Grades 6 - 8	842,612		842,612	823,314	19,298
Grades 9 - 12	1,881,105	106,906	1,988,011	1,949,548	38,463
Regular Programs - Home Instruction:					
Salaries of Teachers	2,625	3,700	6,325	6,104	221
Purchased Professional/Educational Services	151,750	(147,200)	4,550	2,475	2,075
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	127,346	13,753	141,099	141,099	
Purchased Professional/Educational Services	106,640	3,000	109,640	108,275	1,365
Purchased Technical Services	243,623	(10,280)	233,343	231,525	1,818
Other Purchased Services	128,382	12,112	140,494	138,731	1,763
General Supplies	122,662	13,136	135,798	123,024	12,774
Textbooks	51,000	(32,567)	18,433	16,630	1,803
Other Objects	19,140	(550)	18,590	12,743	5,847
Total Regular Programs	5,583,223	(67,484)	5,515,739	5,252,487	263,252
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	196,185	68,542	264,727	264,727	
General Supplies	501		501	150	351
Total - Learning and/or Language Disabilities	196,686	68,542	265,228	264,877	351
Behavioral Disabilities:					
Salaries of Teachers					
Other Salaries for Instruction					
General Supplies					
Total - Behavioral Disabilities - Part-Time					

**BOROUGH OF PALMYRA SCHOOL DISTRICT**General FundRequired Supplementary InformationBudgetary Comparison ScheduleFor the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers					
General supplies					
Total -Multiple Disabilities					
Resource Room/Center:					
Salaries of Teachers	669,590		669,590	587,990	81,600
Other Salaries for Instruction	281,478	3,150	284,628	254,049	30,579
General Supplies	20,000		20,000	18,921	1,079
Total - Resource Room/Center	971,068	3,150	974,218	860,960	113,258
Preschool Disabilities - Part-Time:					
Salaries of Teachers	82,167		82,167	8,217	73,950
Other Salaries for Instruction	18,864		18,864	1,649	17,215
General Supplies	375		375	375	
Total - Preschool Disabilities - Part-Time	101,406		101,406	10,241	91,165
Other Salaries for Instruction					
General Supplies					
Total - Preschool Disabilities - Part-Time					
Home Instruction:					
Salaries of Teachers	1,050	3,000	4,050	3,769	281
Purchased Professional/Educational Services	1,400	2,300	3,700	1,428	2,272
Total - Home Instruction	2,450	5,300	7,750	5,197	2,553
Total - Special Education	1,271,610	76,992	1,348,602	1,141,275	207,327
Basic Skills/Remedial:					
Salaries of Teachers	203,322		203,322	123,263	80,059
General Supplies	300		300	145	155
Total - Basic Skills/Remedial	203,622		203,622	123,408	80,214
Bilingual Education:					
Salaries of Teachers	85,317		85,317	85,317	
General Supplies	300	100	400	247	153
Total - Bilingual Education	85,617	100	85,717	85,564	153
School Sponsored Cocurricular Activities - Instruction:					
Salaries	58,000		58,000	52,925	5,075
Supplies and Materials	17,300	(2,500)	14,800	8,211	6,589
Total - School Sponsored Cocurricular Activities - Instruction	75,300	(2,500)	72,800	61,136	11,664

**BOROUGH OF PALMYRA SCHOOL DISTRICT**General FundRequired Supplementary InformationBudgetary Comparison ScheduleFor the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 394,312	\$ 17,900	\$ 412,212	\$ 403,529	\$ 8,683
Purchased Services	93,375	(4,800)	88,575	73,298	15,277
Supplies and Materials	31,450		31,450	31,303	147
Other Objects	4,100	1,900	6,000	5,972	28
Total - School Sponsored Cocurricular Athletics - Instruction	523,237	15,000	538,237	514,102	24,135
Total - Instruction	7,742,609	22,108	7,764,717	7,177,972	586,745
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within State-Regular	137,251		137,251	108,966	28,285
Tuition to Other LEAs within State-Special	456,900		456,900	398,755	58,145
Tuition to County Vocational School District - Regular	96,000		96,000	56,839	39,161
Tuition to County Vocational School District - Special	20,000		20,000	20,000	
Tuition to CSSD & Reg. Day Schools	997,300	(37,073)	960,227	850,916	109,311
Tuition to Private School for the Handicapped- State	828,184	(143,480)	684,704	210,511	474,193
Tuition - Other	140,000		140,000	108,839	31,161
Total Undistributed Expenditures - Instruction	2,675,635	(180,553)	2,495,082	1,754,826	740,256
Undistributed Expenditures - Attendance and Social Work:					
Salaries	145,249		145,249	145,249	
Purchased Professional and Technical Services	6,000		6,000	6,000	
Total - Undistributed Expenditures - Attendance and Social Work	151,249		151,249	151,249	
Undistributed Expenditures - Health Services:					
Salaries	158,086		158,086	155,639	2,447
Purchased Professional and Technical Services	34,700		34,700	26,462	8,238
Supplies and Materials	6,120		6,120	4,416	1,704
Total - Undistributed Expenditures - Health Services	198,906		198,906	186,517	12,389
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	69,420		69,420	69,420	
Purchased Professional/Educational Services	185,750	(11,810)	173,940	158,316	15,624
Supplies and Materials	600		600	223	377
Total - Undistributed Expenditures - Speech, OT, PT and Related Services	255,770	(11,810)	243,960	227,959	16,001

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Other Support Services - Students -Extraordinary Services:					
Purchased Professional/Educational Services	\$ 114,000	\$ 155,290	\$ 269,290	\$ 269,228	\$ 62
Supplies and Materials	2,100		2,100	826	1,274
Total - Undistributed Expenditures - Other Support Services					
Students - Extraordinary Services	116,100	155,290	271,390	270,054	1,336
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	288,820	7,291	296,111	296,111	
Salaries of Secretarial and Clerical Assistants	36,733		36,733	36,733	
Purchased Professional - Educational Services	37,120	(6,318)	30,802	17,059	13,743
Other Purchased Professional and Technical Services	4,550		4,550	3,947	603
Supplies and Materials	3,030	(7)	3,023	1,215	1,808
Total - Undistributed Expenditures - Guidance	370,253	966	371,219	355,065	16,154
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	402,271	(35,958)	366,313	365,491	822
Salaries of Secretarial and Clerical Assistants	40,333		40,333	40,333	
Purchased Professional - Educational Services	63,050	41,913	104,963	75,188	29,775
Other Purchased Services	1,163	2,545	3,708	3,428	280
Supplies and Materials	5,000		5,000	4,131	869
Other Objects	1,200		1,200	1,200	
Total - Undistributed Expenditures - Child Study Teams	513,017	8,500	521,517	489,771	31,746
Undistributed Expenditures - Improvement of Instruction Services/Other Support:					
Services - Instructional Staff:					
Salaries of Supervisors of Instruction	105,575	12,925	118,500	108,625	9,875
Salaries of Other Professional Staff	14,994		14,994	3,291	11,703
Purchased Professional - Technical Services	35,100	9,122	44,222	44,097	125
Supplies and Materials	3,000	(603)	2,397	1,883	514
Other Objects	3,890	1,231	5,121	4,997	124
Total - Undistributed Expenditures - Improvement of Instruction					
Services/Other Support Services - Instructional Staff	162,559	22,675	185,234	162,893	22,341



**BOROUGH OF PALMYRA SCHOOL DISTRICT**General FundRequired Supplementary InformationBudgetary Comparison ScheduleFor the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Educational Media Services/School Library:					
Salaries	\$ 143,040	\$	\$ 143,040	\$ 137,940	\$ 5,100
Salaries of Technology Coordinators	153,159	29,250	182,409	182,360	49
Purchased Professional and Technical Services	6,000	(2,000)	4,000		4,000
Other Purchased Services	1,200		1,200	1,000	200
Supplies and Materials	4,150		4,150	2,232	1,918
Total - Undistributed Expenditures - Educational Media Services/School Library	307,549	27,250	334,799	323,532	11,267
Undistributed Expenditures - Support Services General Administration:					
Salaries	245,178		245,178	245,003	175
Legal Services	25,000	9,578	34,578	34,578	
Audit Fees	22,000	3,960	25,960	25,960	
Architectural		18,241	18,241	8,777	9,464
Other Purchased Professional Services	5,300		5,300	4,735	565
Communications/Telephone	34,700		34,700	23,998	10,702
Other Purchased Services	11,125	(470)	10,655	8,857	1,798
General Supplies	2,150		2,150	887	1,263
Miscellaneous Expenditures	3,050		3,050	2,868	182
BOE Membership Dues and Fees	7,000		7,000	6,765	235
Total - Undistributed Expenditures - Support Services General Administration	355,503	31,309	386,812	362,428	24,384
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	482,310		482,310	462,716	19,594
Salaries of Secretarial and Clerical Assistants	68,309		68,309	68,309	
Other Purchased Services	1,300	550	1,850	1,369	481
Supplies and Materials	6,375	542	6,917	6,444	473
Other Objects	4,610	(542)	4,068	3,750	318
Total - Undistributed Expenditures - Support Services School Administration	562,904	550	563,454	542,588	20,866
Undistributed Expenditures - Central Services:					
Salaries	285,950		285,950	265,599	20,351
Purchased Professional Services	6,000	(4,000)	2,000		2,000
Purchased Technical Services	15,700		15,700	12,979	2,721
Miscellaneous Purchased Services	10,025	(1,227)	8,798	6,506	2,292
Supplies and Materials	4,300	35	4,335	4,335	
Other Objects	1,375		1,375	1,190	185
Total - Undistributed Expenditures - Central Services	323,350	(5,192)	318,158	290,609	27,549

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Administrative Information Technology:					
Salaries	\$ 86,320	\$ 745	\$ 87,065	\$ 87,065	\$ -
Purchased Technical Services	26,672	17,318	43,990	43,844	146
Other Purchased Services	5,402	585	5,987	5,781	206
Supplies and Materials	2,500		2,500	2,035	465
Total - Undistributed Expenditures - Administrative Information Technology	120,894	18,648	139,542	138,725	817
Undistributed Expenditures - Required Maintenance:					
Salaries	179,210		179,210	162,898	16,312
Cleaning, Repair & Maintenance Services	625,160	167,000	792,160	746,461	45,699
Lead Testing of Drinking Water	5,000	(4,300)	700		700
General Supplies	49,800	(7,000)	42,800	31,855	10,945
Other Objects	9,400	500	9,900	8,377	1,523
Total - Undistributed Expenditures - Required Maintenance	868,570	156,200	1,024,770	949,591	75,179
Undistributed Expenditures - Custodial Services:					
Salaries	494,112	4,295	498,407	479,500	18,907
Salaries of Non-Instructional Aides		3,500	3,500	2,366	1,134
Cleaning, Repair & Maintenance Services	46,000	(3,500)	42,500	40,319	2,181
Other Purchased Property Services	69,000	9,395	78,395	78,395	
Insurance	263,408	15,590	278,998	271,948	7,050
General Supplies	42,500		42,500	42,078	422
Energy (Natural Gas)	80,000	4,849	84,849	84,849	
Energy (Electricity)	240,000	24,704	264,704	264,704	
Other Objects	2,000	3,800	5,800	2,010	3,790
Total - Undistributed Expenditures - Custodial Services	1,237,020	62,633	1,299,653	1,266,169	33,484
Undistributed Expenditures - Security:					
Salaries	46,530		46,530	46,530	
Purchased Professional and Technical Services	102,000		102,000	101,286	714
General Supplies	2,000		2,000	1,967	33
Other Objects	475		475		475
Total - Undistributed Expenditures - Security	151,005		151,005	149,783	1,222
Total - Operation and Maintenance of Plant Services	2,256,595	218,833	2,475,428	2,365,543	109,885

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Spec. Ed.	\$ 49,950	\$ -	\$ 49,950	\$ 49,950	\$ -
Salaries for Pupil Transportation (Other than Between Home & School)	19,500	10,000	29,500	11,446	18,054
Cleaning, Repair, & Maintenance Services	10,000		10,000	1,476	8,524
Contracted Services (Other Than Home & School) - Vendors	57,800	7,114	64,914	64,914	
Contracted Services (Special Education Students) - Vendors	386,000	174,697	560,697	560,697	
Contracted Services (Special Education Students) - Joint Agreements	42,000		42,000	7,966	34,034
General Supplies	8,000	828	8,828	8,828	
Total Student Transportation Services	573,250	192,639	765,889	705,277	60,612
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	190,000		190,000	109,847	80,153
Other Retirement Contributions - PERS	215,000	75,253	290,253	264,377	25,876
Other Retirement Contributions - Regular	4,500		4,500	4,176	324
Unemployment Contribution	15,000		15,000	12,070	2,930
Workmen's Compensation	201,800	(15,635)	186,165	176,083	10,082
Health Benefits	2,814,500	(175,391)	2,639,109	2,604,434	34,675
Tuition Reimbursements	16,372		16,372	10,655	5,717
Other Employee Benefits	159,930	(11,000)	148,930	103,900	45,030
Unused Sick Payment to Terminated/Retired Staff	19,785	15,000	34,785	23,403	11,382
Total Unallocated Benefits - Employee Benefits	3,636,887	(111,773)	3,525,114	3,308,945	216,169
On-behalf TPAF Pension Contributions - Normal (Non-Budgeted)				2,670,550	(2,670,550)
On-behalf TPAF Medical Contributions (Non-Budgeted)				701,547	(701,547)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,135	(1,135)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				621,407	(621,407)
Total TPAF Contributions				3,994,639	(3,994,639)
Total Undistributed Expenses	12,580,421	367,332	12,947,753	15,630,620	(2,682,867)
Interest on Maintenance Reserve	5,933		5,933		5,933
Total Expenditures - Current Expense	20,328,963	389,440	20,718,403	22,808,592	(2,090,189)

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	\$ 26,500	\$	\$ 26,500	\$ 26,140	\$ 360
Undistributed Expenditures - School Administration	15,000	3,790	18,790	18,789	1
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	3,043		3,043	3,043	
Interest Deposit to Capital Reserve	4,301		4,301		4,301
Total Capital Outlay	48,844	3,790	52,634	47,972	4,662
Total Expenditures	20,377,807	393,230	20,771,037	22,856,564	(2,085,527)
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	(1,051,755)	(393,230)	(1,444,985)	1,090,898	2,535,883
Operating Financing Sources (Uses)					
Transfer of Funds to Charter School	(87,823)		(87,823)	(76,147)	11,676
Total Other Financing Sources (Uses)	(87,823)		(87,823)	(76,147)	11,676
Excess (Deficiency) of Revenues and Other					
Financing Source Over (Under) Expenditures					
and Other Financing (Uses)	(1,139,578)		(1,532,808)	1,014,751	2,547,559
Fund Balances, July 1	6,493,632		6,493,632	6,493,632	
Fund Balances, June 30	\$ 5,354,054	\$ (393,230)	\$ 4,960,824	\$ 7,508,383	\$ 2,547,559
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,750,320	
Maintenance Reserve				1,199,898	
Excess Surplus Previous Year - Designated for Subsequent Year's Expenditures				1,408,238	
Excess Surplus - Current Year				1,196,940	
Unemployment Compensation				264,515	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				781,591	
Unassigned Fund Balance				906,881	
				7,508,383	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(565,562)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,942,821	

**BOROUGH OF PALMYRA SCHOOL DISTRICT**Special Revenue FundRequired Supplementary InformationBudgetary Comparison ScheduleFor the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
NCLB	\$ 297,123	\$ -	\$ 297,123	\$ 291,418	\$ (5,705)
IDEA	311,697	35,711	347,408	315,061	(32,347)
CRRSA	115,623	(49,820)	65,803	61,023	(4,780)
ARP	1,856,391.00	14,109	1,870,500.00	1,221,182	(649,318)
State Sources:					
Preschool	540,192		540,192	502,661	(37,531)
Climate Awareness	6,660		6,660	4,497	(2,163)
Local Sources:					
Student Activities				157,327	157,327
Scholarships				10,814	10,814
Total Revenues	<u>\$ 3,127,686</u>	<u>\$ -</u>	<u>\$ 3,127,686</u>	<u>\$ 2,563,983</u>	<u>\$ (563,703)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	\$ 1,137,739	\$ (1,158)	\$ 1,136,581	\$ 767,382	\$ 369,199
Other Professional Salaries	92,210		92,210	92,210	
Purchased Professional and Technical Services	48,494	(10,588)	37,906	36,856	1,050
Other Purchased Services	291,065	54,664	345,729	300,853	44,876
General Supplies	377,047	(41,283)	335,764	221,757	114,007
Other Objects	6,160	2,500	8,660	5,692	2,968
Total Instruction	<u>1,952,715</u>	<u>4,135</u>	<u>1,956,850</u>	<u>1,424,750</u>	<u>532,100</u>
Support Services:					
Salaries	172,718		172,718	60,995	111,723
Salaries - Pre-K Admin	2,608		2,608		2,608
Salaries - Pre-K Support	6,524		6,524	171	6,353
Salaries - Pre-K Family Liaison	7,500		7,500		7,500
Personal Services - Employee Benefits	556,158		556,158	556,158	
Purchased Professional and Technical Services	344,589	(16,390)	328,199	274,392	53,807
Other Purchased Services	10,327		10,327	10,119	208
Supplies and Materials	56,052	12,255	68,307	53,381	14,926
Other Objects	1,500		1,500		1,500
Scholarships Awarded				17,364	(17,364)
Student Activities				152,146	(152,146)
Total Support Services	<u>1,157,976</u>	<u>(4,135)</u>	<u>1,153,841</u>	<u>1,124,726</u>	<u>29,115</u>
Facilities Acquisitions & Const Serv:					
Non-Instructional Equipment	16,995		16,995	15,876	1,119
Total Facilities Acquisition & Const Serv	<u>16,995</u>		<u>16,995</u>	<u>15,876</u>	<u>1,119</u>
Total Expenditures	<u>3,127,686</u>		<u>3,127,686</u>	<u>2,565,352</u>	<u>562,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				<u>(1,369)</u>	<u>(1,369)</u>
Fund Balance July 1				182,113	
Fund Balance June 30				<u>\$ 180,744</u>	
<b>Recapitulation:</b>					
Restricted:					
Scholarships				\$ 66,464	
Student Activities				114,280	
				<u>\$ 180,744</u>	

**NOTES TO THE REQUIRED SUPPLEMENTARY**  
**INFORMATION PART II**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 23,947,462 [E-1]	\$ 2,563,983
Differences - Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2022.	438,174	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2023.	(565,562)	(54,019)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 23,820,074 [B-2]</u>	<u>\$ 2,509,964</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule and Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 22,856,564 [E-1]</u>	<u>\$ 2,509,964</u>



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE BOROUGH OF PALMYRA SCHOOL DISTRICT  
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**REQUIRED SUPPLEMENTARY**  
**INFORMATION PART III**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.018253%	0.017757%	0.017207%	0.016967%	0.017225%	0.017233%	0.016815%	0.016885%	0.019718%	0.017493%
District's Proportionate Share of the Net Pension Liability	\$ 2,754,688	\$ 2,103,612	\$ 2,806,043	\$ 3,057,123	\$ 3,391,554	\$ 4,011,458	\$ 4,979,985	\$ 3,790,247	\$ 3,691,696	\$ 3,343,179
District's Covered-Employee Payroll	\$ 1,567,841	\$ 1,476,804	\$ 1,345,260	\$ 1,232,591	\$ 1,212,343	\$ 1,222,176	\$ 1,205,316	\$ 1,231,984	\$ 1,451,228	\$ 1,278,936
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	175.70%	142.44%	208.59%	248.02%	279.75%	328.22%	413.17%	307.65%	254.38%	261.40%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

**Schedule of District Contributions**

**Public Employees' Retirement System (PERS)**

**Last Ten Fiscal Years\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 230,184	\$ 207,958	\$ 188,238	\$ 165,883	\$ 172,035	\$ 161,331	\$ 159,641	\$ 149,378	\$ 145,162	\$ 162,550
Contributions in relation to the Contractually Required Contribution	(230,184)	(207,958)	(188,238)	(165,883)	(172,035)	(161,331)	(159,641)	(149,378)	(145,162)	(162,550)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 1,567,841	\$ 1,476,804	\$ 1,345,260	\$ 1,232,591	\$ 1,212,343	\$ 1,222,176	\$ 1,205,316	\$ 1,231,984	\$ 1,451,228	\$ 1,278,936
Contributions as a Percentage of Covered-Employee Payroll	14.68%	14.08%	13.99%	13.46%	14.19%	13.20%	13.24%	12.12%	10.00%	12.71%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.061790%	0.061651%	0.061545%	0.063254%	0.063751%	0.062543%	0.062357%	0.061856%	0.058143%	0.062280%
District's Proportionate Share of the Net Pension Liability	\$ 31,880,248	\$ 29,638,670	\$ 40,526,893	\$ 38,819,729	\$ 40,556,710	\$ 42,168,704	\$ 49,053,745	\$ 39,095,730	\$ 31,075,683	\$ 31,476,018
District's Covered-Employee Payroll	\$ 8,121,976	\$ 7,663,319	\$ 7,273,374	\$ 6,884,571	\$ 6,781,496	\$ 6,656,839	\$ 7,507,596	\$ 7,181,012	\$ 7,275,052	\$ 6,702,376
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	392.52%	386.76%	557.20%	563.87%	598.05%	633.46%	653.39%	544.43%	427.15%	469.62%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 1,853,225	\$ 2,089,723	\$ 1,164,903	\$ 1,180,978	\$ 1,310,245	\$ 1,576,958
Interest Cost	993,164	1,139,480	1,075,574	1,339,589	1,458,299	1,260,137
Changes of Benefit Terms		(46,754)				
Differences Between Expected and Actual Experiences		(7,832,865)	8,991,686	(5,971,368)	(3,988,362)	
Changes of Assumptions	(10,053,362)	43,336	9,023,920	446,992	(3,887,439)	(5,169,974)
Member Contributions	31,559	29,131	26,068	27,279	31,307	33,994
Gross Benefit Payments	(983,758)	(897,591)	(860,036)	(920,272)	(905,832)	(923,190)
<b>Net Change in Total OPEB Liability</b>	<b>(6,449,427)</b>	<b>(5,475,540)</b>	<b>19,422,115</b>	<b>(3,896,802)</b>	<b>(5,981,782)</b>	<b>(3,222,075)</b>
<b>Total OPEB Liability - Beginning</b>	<b>43,925,759</b>	<b>49,401,299</b>	<b>29,979,184</b>	<b>33,875,986</b>	<b>39,857,768</b>	<b>43,079,843</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 37,476,332</b>	<b>\$ 43,925,759</b>	<b>\$ 49,401,299</b>	<b>\$ 29,979,184</b>	<b>\$ 33,875,986</b>	<b>\$ 39,857,768</b>
<b>Covered-Employee Payroll</b>	<b>\$ 9,689,817</b>	<b>\$ 9,140,123</b>	<b>\$ 8,618,634</b>	<b>\$ 8,117,162</b>	<b>\$ 7,993,839</b>	<b>\$ 7,879,015</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>386.76%</b>	<b>480.58%</b>	<b>618.41%</b>	<b>369.33%</b>	<b>423.78%</b>	<b>505.87%</b>

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

## **OTHER SUPPLEMENTARY INFORMATION**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2023

[illegible]

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	CRRSA				ARP Consolidated							
	Sub-Total	ESSER II	Learning Acceleration	Mental Health	ARP ESSER III	Accel. Learning	Summer Learning	Beyond School Day	Mental Health	ARP Homeless	Scholarship Fund	Student Activity Fund
<b>REVENUES:</b>												
Federal Sources	\$ 1,282,205	\$ 52,700	\$ 7,573	\$ 750	\$ 986,748	\$ 78,000	\$ 36,100	\$ 17,882	\$ 88,443	\$ 14,009	\$	
State Sources												
Local Sources	168,141										10,814	157,327
<b>Total Revenues</b>	<b>1,450,346</b>	<b>52,700</b>	<b>7,573</b>	<b>750</b>	<b>986,748</b>	<b>78,000</b>	<b>36,100</b>	<b>17,882</b>	<b>88,443</b>	<b>14,009</b>	<b>10,814</b>	<b>157,327</b>
<b>EXPENDITURES:</b>												
Instruction:												
Salaries Teachers	417,039				352,365		36,100	14,565		14,009		
Other Purchased Services												
General Supplies	135,728	29,653	573		105,502							
<b>Total Instruction</b>	<b>552,767</b>	<b>29,653</b>	<b>573</b>		<b>457,867</b>		<b>36,100</b>	<b>14,565</b>		<b>14,009</b>		
Support Services:												
Support Salaries	60,995								60,995			
Personal Services - Employee Benefits	387,329				359,881				27,448			
Purchased Prof. and Tech. Services	229,750		7,000	750	144,000	78,000						
Other Purchased Services												
Supplies and Materials	51,364	23,047			25,000			3,317				
Scholarships Awarded	17,364										17,364	
Student Activities	152,146											152,146
<b>Total Support Services</b>	<b>898,948</b>	<b>23,047</b>	<b>7,000</b>	<b>750</b>	<b>528,881</b>	<b>78,000</b>		<b>3,317</b>	<b>88,443</b>		<b>17,364</b>	<b>152,146</b>
Facilities Acquisitions & Const Serv:												
Non-Instructional Equipment												
<b>Total Facilities Acquisition &amp; Const Serv</b>												
Facilities Acquisition and Construction Services:												
Instructional Equipment												
<b>Total Expenditures</b>	<b>1,451,715</b>	<b>52,700</b>	<b>7,573</b>	<b>750</b>	<b>986,748</b>	<b>78,000</b>	<b>36,100</b>	<b>17,882</b>	<b>88,443</b>	<b>14,009</b>	<b>17,364</b>	<b>152,146</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,369)										(6,550)	5,181
Fund Balance July 1	182,113										73,014	109,099
Fund Balance June 30	\$ 180,744	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 66,464	\$ 114,280

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 180,349	\$ 180,349	\$
Other Professional Salaries	92,210	92,210	
Purchased Prof - Education /Tech Services	36,356	36,356	
Other Purchased Services	850		850
Supplies and Materials	54,400	46,298	8,102
Other Objects	4,500	1,607	2,893
<b>Total Instruction</b>	<u>368,665</u>	<u>356,820</u>	<u>11,845</u>
<b>Support Services:</b>			
Salaries- Supervisor of Instruction			
Salaries - Other Professional Staff			
Salaries- Pre - K Admin.	2,608		2,608
Salaries- Pre - K Support	6,524	171	6,353
Salaries - Family Liaison	7,500		7,500
Personal Services - Employee Benefits	128,900	128,900	
Purchased Professional - Tech. Services	4,500	766	3,734
Supplies and Materials	3,000	128	2,872
Other Objects	1,500		1,500
<b>Total Support Services</b>	<u>154,532</u>	<u>129,965</u>	<u>24,567</u>
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment			
Non-Instructional Equipment	16,995	15,876	1,119
<b>Total Facilities Acquisition and Const. Services</b>	<u>16,995</u>	<u>15,876</u>	<u>1,119</u>
<b>Contribution to Charter Schools</b>			
<b>Total Expenditures</b>	<u>\$ 540,192</u>	<u>\$ 502,661</u>	<u>\$ 37,531</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2022-2023 Preschool Education Aid Allocation	\$ 540,192	(1)
Add: Actual ECPA Carryover (JUNE 30, 2022)		(2)
Add: Budgeted Transfer from General Fund 2022-2023		(3)
<b>Total Preschool Education Aid Funds Available for 2022-23 Budget</b>	<u>540,192</u>	(4)
Prior Year Encumbrance Adjustment		
Less: 2022-2023 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(540,192)	(5)
<b>Available &amp; Unbudgeted Preschool Education Aid Funds as of JUNE 30, 2023</b>		(6)
Add: JUNE 30, 2023 Unexpended Preschool Education Aid	37,531	(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
<b>2022-2023 Carryover - Preschool Education Aid</b>	<u>\$ 37,531</u>	(9)
<b>2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024</b>	<u>\$ 61,064</u>	(10)
<b>The Board should consider appropriating this additional carry-over into the 2022-2023 budget</b>	<u>\$ 301,427</u>	

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**Alternative High School Enterprise Fund** – This fund provides for the operation of the District’s Alternative High School.

**Transportation Enterprise Fund** – This fund provides for transportation services provided to other local educational associations.

**Related Services Enterprise Fund** – This fund provides for student support services which are provided to other local educational associations.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Fund

Business-Type Activities - Enterprise Funds

Combining Statement of Net Position

June 30, 2023

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 216,590	\$ 143,376	\$ 359,966
Accounts Receivable:			
State	485		485
Federal	12,415		12,415
Other	8,805		8,805
Inventories	21,515		21,515
Total Current Assets	<u>259,810</u>	<u>143,376</u>	<u>403,186</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	337,711		337,711
Less Accumulated Depreciation	(303,717)		(303,717)
Total Noncurrent Assets	<u>33,994</u>		<u>33,994</u>
Total Assets	<u>293,804</u>	<u>143,376</u>	<u>437,180</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	33,505		33,505
Interfund Accounts Payable	2,750		2,750
Unearned Revenue	18,882		18,882
Total Liabilities	<u>55,137</u>		<u>55,137</u>
NET POSITION:			
Restricted:			
Net Investment in Capital Assets	33,994		33,994
Unrestricted	204,673	143,376	348,049
Total Net Position	<u>\$ 238,667</u>	<u>\$ 143,376</u>	<u>\$ 382,043</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 122,144	\$	\$ 122,144
Reimbursable Program - School Lunch	118,261		118,261
Child Care Fees		139,298	139,298
Total Operating Revenues	<u>240,405</u>	<u>139,298</u>	<u>379,703</u>
<b>OPERATING EXPENSES:</b>			
Salaries	229,784	158,741	388,525
Management Fee	25,789		25,789
General Supplies	1,267	6,039	7,306
Direct Expenses	4,503		4,503
Depreciation	4,381		4,381
Other Professional and Technical Services	34,932	31,070	66,002
Cost of Sales - Non-reimbursable Programs	55,452		55,452
Cost of Sales - Reimbursable Programs	260,495		260,495
Total Operating Expenses	<u>616,603</u>	<u>195,850</u>	<u>812,453</u>
Operating Income / (Loss)	<u>(376,198)</u>	<u>(56,552)</u>	<u>(432,750)</u>
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Breakfast Program	857		857
State School Lunch Program	8,058		8,058
Federal Sources:			
National School Breakfast Program	36,996		36,996
National School Lunch Program	192,883		192,883
Supply Chain Assistance Funding	34,722		34,722
Food Distribution Program	55,275		55,275
Interest Revenue	1,011		1,011
Total Nonoperating Revenues	<u>329,802</u>	<u>-</u>	<u>329,802</u>
Change in Net Position	(46,396)	(56,552)	(102,948)
Net Position -- July 1	285,063	199,928	484,991
Net Position -- June 30	<u>\$ 238,667</u>	<u>\$ 143,376</u>	<u>\$ 382,043</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Fund

Business-Type Activities - Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

	Food Service	After School Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 268,502	\$ 143,398	\$ 411,900
Payments to Management Company	(25,789)		(25,789)
Payments to Employees	(229,784)	(158,741)	(388,525)
Payments for Supplies and Services	(321,560)	(37,109)	(358,669)
Net Cash Provided by (Used for) Operating Activities	(308,631)	(52,452)	(361,083)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	8,058		8,058
Federal Sources	320,733		320,733
Net Cash Provided by (Used for) Non-Capital Financing Activities	328,791		328,791
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Purchase of Fixed Assets			
Net Cash Provided by (Used for) Capital Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	1,011		1,011
Net Increase in Cash and Cash Equivalents	21,171	(52,452)	(31,281)
Cash and Cash Equivalents -- July 1	195,419	195,828	391,247
Cash and Cash Equivalents -- June 30	\$ 216,590	\$ 143,376	\$ 359,966
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (376,198)	\$ (56,552)	\$ (432,750)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	4,381		4,381
(Increase) Decrease in Accounts Receivable	27,917	4,100	32,017
(Increase) Decrease in Interfund Receivable	180		180
(Increase) Decrease in Inventories	(9,137)		(9,137)
Increase (Decrease) in Unearned Revenue	7,971		7,971
Increase (Decrease) in Interfund Payable	2,750		2,750
Increase (Decrease) in Accounts Payable	33,505		33,505
Total Adjustments	67,567	4,100	71,667
Net Cash Provided by (Used for) Operating Activities	\$ (308,631)	\$ (52,452)	\$ (361,083)



## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

**Schedule of Serial Bonds**

**For the Fiscal Year Ended June 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities			Interest Rate	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount						
School District Refunding Bonds - Series 2016	09-14-16	\$ 8,365,000	03-01-24	\$ 640,000		4.00%	\$ 5,075,000		\$ 635,000	\$ 4,440,000
			03-01-25	640,000		3.00%				
			03-01-26	640,000		3.00%				
			03-01-27	635,000		3.50%				
			03-01-28	635,000		3.00%				
			03-01-29	625,000		3.50%				
			03-01-30	625,000		3.50%				
							\$ 5,075,000		\$ 635,000	\$ 4,440,000

**BOROUGH OF PALMYRA SCHOOL DISTRICT**Debt Service FundBudgetary Comparison ScheduleFor the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 702,407		\$ 702,407	\$ 702,407	
State Sources:					
Debt Service Aid Type II	107,018		107,018	107,018	
Total Revenues	809,425		809,425	809,425	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	174,425		174,425	174,425	
Redemption of Principal	635,000		635,000	635,000	
Total Expenditures	809,425		809,425	809,425	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses):					
Operating Transfers In:					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balance, July 1					
Fund Balance, June 30	\$	\$	\$	\$	
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Restricted Fund Balance				\$	

## **STATISTICAL SECTION**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Net Position by Component

Last Ten Fiscal Years (Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 3,278,393	\$ 3,896,044	\$ 4,593,313	\$ 3,779,374	\$ 2,864,732	\$ 2,543,351	\$ 1,769,218	\$ 1,967,127	\$ 1,687,809	\$ 1,504,616
Restricted	6,000,655	5,445,165	5,241,126	4,532,667	4,148,012	3,649,028	3,159,870	2,998,955	2,640,525	2,329,781
Unrestricted (Deficit)	(1,396,765)	(2,630,014)	(3,498,892)	(3,977,757)	(4,211,094)	(4,385,670)	(3,667,853)	(4,199,304)	(4,120,110)	(224,102)
<b>Total Governmental Activities Net Position</b>	<b>\$ 7,882,283</b>	<b>\$ 6,711,195</b>	<b>\$ 6,335,547</b>	<b>\$ 4,334,284</b>	<b>\$ 2,801,650</b>	<b>\$ 1,806,709</b>	<b>\$ 1,261,235</b>	<b>\$ 766,777</b>	<b>\$ 208,224</b>	<b>\$ 3,610,295</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 33,994	\$ 38,375	\$ 42,755	\$ 47,136	\$ 51,663	\$ 17,212	\$ 19,186	\$ 21,403	\$ 26,537	\$ 31,922
Unrestricted	348,049	446,616	367,295	400,685	413,590	477,047	435,609	390,792	322,962	248,229
<b>Total Business-type Activities Net Position</b>	<b>\$ 382,043</b>	<b>\$ 484,991</b>	<b>\$ 410,050</b>	<b>\$ 447,821</b>	<b>\$ 465,253</b>	<b>\$ 494,259</b>	<b>\$ 454,795</b>	<b>\$ 412,194</b>	<b>\$ 349,499</b>	<b>\$ 280,151</b>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 3,312,387	\$ 3,934,419	\$ 4,636,068	\$ 3,826,510	\$ 2,916,395	\$ 2,560,563	\$ 1,788,404	\$ 1,988,530	\$ 1,714,346	\$ 1,536,538
Restricted	6,000,655	5,445,165	5,241,126	4,532,667	4,148,012	3,649,028	3,159,870	2,998,955	2,640,525	2,329,781
Unrestricted (Deficit)	(1,048,716)	(2,183,398)	(3,131,597)	(3,577,072)	(3,797,504)	(3,908,623)	(3,232,244)	(3,808,512)	(3,797,148)	24,126
<b>Total Government-wide Net Position</b>	<b>\$ 8,264,326</b>	<b>\$ 7,196,186</b>	<b>\$ 6,745,597</b>	<b>\$ 4,782,105</b>	<b>\$ 3,266,903</b>	<b>\$ 2,300,968</b>	<b>\$ 1,716,030</b>	<b>\$ 1,178,972</b>	<b>\$ 557,723</b>	<b>\$ 3,890,445</b>

Source: Exhibit A-1

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflow in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Changes in Net Position

Last Ten Fiscal Years (Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>EXPENSES:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 5,252,487	\$ 4,911,947	\$ 4,882,500	\$ 4,599,642	\$ 4,638,050	\$ 4,432,535	\$ 4,391,258	\$ 4,897,047	\$ 5,240,728	\$ 4,685,701
Special Education	2,566,025	2,129,543	1,741,183	1,679,943	1,764,431	1,615,646	1,617,712	1,683,856	1,416,951	1,420,120
Other Special Education	784,210	761,550	749,769	675,449	519,836	548,518	726,868	591,072	522,805	487,942
Support Services:										
Tuition	1,754,826	1,721,901	1,139,645	1,661,860	1,336,684	1,295,971	1,380,458	1,450,814	1,371,105	1,425,581
Student and Instruction Related Services	3,291,766	2,434,481	2,271,463	1,829,566	1,803,019	1,752,793	1,619,126	1,525,066	1,651,117	1,565,243
School Administrative Services	1,268,708	1,279,308	941,187	481,667	1,097,280	423,498	413,584	403,066	509,522	368,970
General and Business Administrative Services	791,762	795,368	724,505	702,211	744,938	690,026	796,722	713,233	942,828	838,531
Plant Operations and Maintenance	2,377,239	1,694,045	1,686,284	2,269,359	1,593,714	2,239,552	1,544,631	1,417,720	1,487,968	1,433,716
Pupil Transportation	705,277	510,861	292,099	337,129	357,474	397,385	370,634	289,333	316,263	294,760
Unallocated Benefits	5,371,511	6,346,814	8,249,100	6,258,068	9,815,104	8,664,268	7,889,694	6,198,135	4,062,962	3,603,120
Special Schools										
Interest on Long-term Debt	193,224	230,111	230,390	304,774	187,874	434,809	298,544	395,020	427,371	448,970
Unallocated Depreciation										
Total Governmental Activities Expenses	24,357,035	22,815,929	22,908,125	20,799,668	23,858,494	22,495,001	21,049,231	19,564,361	17,949,621	16,572,653
Business-type Activities:										
Food Service	616,603	646,932	166,222	290,272	450,478	371,481	371,310	364,319	348,434	365,504
After School Program	195,850	147,554	76,624	120,683	147,530	144,562	132,725	119,501	114,003	96,814
Total Business-type Activities Expense	812,453	794,486	242,846	410,955	598,008	516,043	504,035	483,820	462,437	462,317
Total Government Expenses	\$ 25,169,488	\$ 23,610,415	\$ 23,150,971	\$ 21,210,623	\$ 24,456,502	\$ 23,011,044	\$ 21,553,266	\$ 20,048,181	\$ 18,412,058	\$ 17,034,970
<b>PROGRAM REVENUES:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 4,748,417	\$ 3,319,647	\$ 4,631,710	\$ 3,945,338	\$ 4,042,579	\$ 4,611,312	\$ 5,304,567	\$ 4,043,731	\$ 1,910,537	\$ 1,659,253
Charges for Services	2,548,158	2,217,527	2,037,396	1,878,779	1,615,418	1,438,398	1,103,457	1,361,193	1,749,865	1,853,201
Total Governmental Activities Program Revenues	7,296,575	5,537,174	6,669,106	5,824,117	5,657,997	6,049,710	6,408,023	5,404,925	3,660,402	3,512,454
Business-type Activities:										
Charges for Services:										
Food Service	240,405	61,407	883	141,122	200,712	164,881	160,491	146,001	138,635	146,565
After School Program	139,298	152,941	0	95,434	137,093	148,461	154,699	148,714	165,802	152,379
Operating Grants and Contributions	328,791	654,831	204,071	156,658	230,790	238,370	237,138	251,721	227,293	219,204
Total Business-type Activities Program Revenues	708,494	869,179	204,954	393,214	568,595	551,712	552,328	546,436	531,731	518,148
Total Government Program Revenues	\$ 8,005,069	\$ 6,406,353	\$ 6,874,060	\$ 6,217,331	\$ 6,226,592	\$ 6,601,422	\$ 6,960,352	\$ 5,951,360	\$ 4,192,133	\$ 4,030,602
<b>NET (EXPENSE)/REVENUE:</b>										
Governmental Activities	\$ (17,060,460)	\$ (17,278,755)	\$ (16,239,019)	\$ (14,975,551)	\$ (18,200,497)	\$ (16,445,291)	\$ (14,641,208)	\$ (14,159,437)	\$ (14,289,219)	\$ (13,060,199)
Business-type Activities	(103,959)	74,693	(37,892)	(17,741)	(29,413)	35,669	48,294	62,616	69,293	55,831
Total Government-wide Net Expense	\$ (17,164,419)	\$ (17,204,062)	\$ (16,276,911)	\$ (14,993,292)	\$ (18,229,910)	\$ (16,409,622)	\$ (14,592,914)	\$ (14,096,821)	\$ (14,219,925)	\$ (13,004,369)

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

**Changes in Net Position**

Last Ten Fiscal Years (Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,505,782	\$ 10,127,361	\$ 9,928,786	\$ 9,552,528	\$ 9,365,224	\$ 9,181,593	\$ 8,806,464	\$ 8,633,789	\$ 8,155,162	\$ 7,586,442
Taxes Levied for Debt Service	702,407	584,560	985,958	981,317	987,461	1,042,046	1,094,439	948,158	948,158	967,890
Unrestricted Grants and Contributions	6,874,624	7,342,420	6,941,219	5,400,356	8,698,562	6,749,597	5,097,356	5,041,154	5,033,439	5,073,565
Investment Earnings	64,016	18,325	30,285	62,039	84,978	35,078	3,729	4,171	3,747	
Other	84,719	27,150	48,072	511,945	64,251	93,979	133,678	90,718	89,822	70,339
Disposal of Assets										
Fixed Asset Adjustment		(450,278.00)								
Right-to-Use Lease Adjustment		4,865.00								
Transfers										(15,454)
Total Governmental Activities	18,231,548	17,654,403	17,934,320	16,508,185	19,200,476	17,102,293	15,135,666	14,717,990	14,230,328	13,682,782
Business-type Activities:										
Investment Earnings	1,011	248	121	309	407	3,796	110	80	55	52
Contribution of Capital Assets										
Transfers										15,454
Total Business-type Activities	1,011	248	121	309	407	3,796	110	80	55	15,506
Total Government-wide	\$ 18,232,559	\$ 17,654,651	\$ 17,934,441	\$ 16,508,494	\$ 19,200,883	\$ 17,106,089	\$ 15,135,776	\$ 14,718,070	\$ 14,230,382	\$ 13,698,287
<b>CHANGE IN NET POSITION:</b>										
Governmental Activities	\$ 1,171,088	\$ 375,648	\$ 1,695,301	\$ 1,532,634	\$ 999,979	\$ 657,002	\$ 494,458	\$ 558,553	\$ (58,891)	\$ 622,582
Business-type Activities	(102,948)	74,941	(37,771)	(17,432)	(29,006)	39,465	48,404	62,696	69,348	71,336
Total Government	\$ 1,068,140	\$ 450,589	\$ 1,657,530	\$ 1,515,202	\$ 970,973	\$ 696,467	\$ 542,861	\$ 621,249	\$ 10,457	\$ 693,919

Source: Exhibit A-2

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 5,819,911	\$ 5,263,052	\$ 5,071,890	\$ 4,532,667	\$ 4,148,012	\$ 3,624,024	\$ 3,134,365	\$ 3,373,278	\$ 3,051,837	\$ 2,329,780
Committed										
Assigned	781,591	35,812	83,187	118,661	62,389	65,877	245,506	40,370	86,984	132,294
Unassigned (Deficit)	341,319	756,594	327,446	4,206	29,439	(19,680)	(15,850)	(23,568)	(71,432)	(33,661)
Total General Fund	<u>\$ 6,942,821</u>	<u>\$ 6,055,458</u>	<u>\$ 5,482,523</u>	<u>\$ 4,655,534</u>	<u>\$ 4,239,840</u>	<u>\$ 3,670,221</u>	<u>\$ 3,364,021</u>	<u>\$ 3,390,080</u>	<u>\$ 3,067,389</u>	<u>\$ 2,428,413</u>
All Other Governmental Funds:										
Restricted, Reported in:										
Capital Projects Fund										
Special Revenue Fund	\$ 126,725	\$ 182,113	\$ 169,236	\$	\$	\$ 25,004	\$ 25,505	\$ 501	\$ 501	\$ 1
Debt Service Fund										
Permanent Fund										
Total All Other Governmental Funds	<u>\$ 126,725</u>	<u>\$ 182,113</u>	<u>\$ 169,236</u>	<u>\$</u>	<u>\$</u>	<u>\$ 25,505</u>	<u>\$ 25,505</u>	<u>\$ 501</u>	<u>\$ 501</u>	<u>\$ 1</u>

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>REVENUES:</b>										
Tax Levy	\$ 11,208,189	\$ 10,711,921	\$ 10,914,744	\$ 10,533,845	\$ 10,352,685	\$ 10,223,639	\$ 9,900,903	\$ 9,581,947	\$ 9,103,320	\$ 8,554,332
Other Local Revenue	2,773,040	2,334,136	2,180,987	2,452,763	1,764,647	1,567,455	1,263,263	1,456,082	1,843,434	1,923,540
State Sources	11,241,416	9,694,239	8,341,158	7,790,878	7,712,447	7,175,737	6,848,984	6,590,796	6,342,142	6,180,513
Federal Sources	1,916,818	1,298,104	921,770	653,795	616,502	568,759	570,718	606,194	601,834	552,304
Total Revenues	27,139,463	24,038,400	22,358,659	21,431,281	20,446,281	19,535,590	18,583,868	18,235,019	17,890,730	17,210,690
<b>EXPENDITURES:</b>										
Instruction										
Regular Instruction	5,252,487	4,911,947	4,645,260	4,544,738	4,602,714	4,406,508	4,348,615	4,409,816	4,268,397	4,191,463
Special Education Instruction	2,566,025	2,129,543	1,741,183	1,679,943	1,764,431	1,615,646	1,617,712	1,683,856	1,416,951	1,420,120
Other Special Instruction	784,210	761,550	749,769	675,449	519,836	548,518	726,868	591,072	514,858	487,942
Support Services:										
Tuition	1,754,826	1,721,901	1,139,645	1,661,860	1,336,684	1,295,971	1,380,458	1,450,814	1,371,105	1,425,581
Student and Instruction Related Services	3,291,766	2,434,481	2,271,463	1,829,566	1,803,019	1,744,009	1,575,495	1,540,934	1,613,266	1,538,038
School Administrative Services	542,588	562,394	494,388	481,667	468,226	420,764	386,961	426,397	464,598	368,797
Other Administrative Services	791,762	795,368	724,505	702,211	744,938	689,508	791,826	628,642	762,944	741,803
Plant Operations and Maintenance	2,365,543	1,691,002	1,683,241	1,619,476	1,590,671	1,439,696	1,441,720	1,338,401	1,387,803	1,323,077
Pupil Transportation	705,277	510,861	292,099	337,129	357,474	397,385	370,634	294,129	311,467	294,760
Unallocated Benefits	7,303,584	7,175,531	6,106,331	5,572,946	5,401,796	5,230,382	4,639,523	4,237,291	3,902,021	3,603,120
Debt Service:										
Principal	635,000	480,000	925,000	885,000	895,000	905,000	910,000	885,000	720,000	725,000
Interest and Other Charges	174,425	193,625	230,625	266,023	292,875	313,975	353,044	405,405	431,168	451,918
Special Schools										
Capital Outlay	63,848	13,251	599,653	759,579	124,002	222,529	162,413	20,570	86,677	18,497
Total Expenditures	26,231,341	23,381,454	21,603,162	21,015,587	19,901,666	19,229,891	18,705,269	17,912,328	17,251,254	16,610,114
Excess (Deficiency) of Revenues Over (Under) Expenditures	908,122	656,946	755,497	415,694	544,615	305,699	(121,401)	322,691	639,476	600,575
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from Issuance of Refunding Bonds							8,365,000			
Premium from Issuance of Refunding Bonds							872,094			
Payment to Refunded Debt Escrow Agent							(9,116,749)			
Transfers In								151,154		
Transfers Out	(76,147)	(71,134,000)	(65,234,000)					(151,154)		
Total Other Financing Sources (Uses)	(76,147)	(71,134,000)	(65,234,000)				120,345			
Net Change in Fund Balances	\$ 831,975	\$ 585,812	\$ 690,263	\$ 415,694	\$ 544,615	\$ 305,699	\$ (1,055)	\$ 322,691	\$ 639,476	\$ 600,575
Debt Service as a Percentage of Non-capital Expenditures	3.09%	2.88%	5.50%	5.68%	6.01%	6.41%	6.81%	7.21%	6.71%	7.09%

Source: Exhibit B-2

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
General Fund - Other Local Revenue by Source  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Interest on Investments	\$ 64,016	\$ 12,535	\$ 19,008	\$ 62,039	\$ 84,978	\$ 35,078	\$ 3,729	\$ 4,171	\$ 3,747	\$ 2,889
Tuition	2,390,831	2,059,314	1,964,690	1,878,779	1,615,418	1,438,398	1,103,457	1,361,193	1,749,865	1,853,201
Transportation Fees							5,918			
Solar Energy Rebate							53,550			
Rental/Lease of Facilities									1,800	3,699
Prior Year E-Rate	33,264	33,264	33,264	63,131	47,385	58,041	42,196	38,914	48,074	
Prior Year Refunds	5,082	1,243	3,536	7,377		14,920	13,034	29,581	14,228	17,687
Athletics	15,339	12,428		21,654	15,276	19,530	13,895	15,917	21,525	40,731
Miscellaneous	96,367	53,225	57,894	1,580	1,590	488	4,814	6,305	4,195	5,333
Total Miscellaneous Revenues	\$2,604,899	\$2,172,009	\$2,078,392	\$2,034,560	\$1,764,647	\$1,263,263	\$1,263,263	\$1,456,082	\$1,843,434	\$1,923,540

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (2)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (3)
2023	\$ 6,577,000	\$ 412,053,145	\$	\$ 30,214,700	\$ 9,338,500	\$ 21,399,400	\$ 479,582,745	\$ 76	\$ 479,582,821	\$ 51,606,755	\$ 632,194,496	\$ 2.38
2022	6,567,000	411,485,645		30,186,600	9,486,300	21,399,400	479,124,945	85	479,125,030	51,801,155	561,036,235	2.34
2021	4,733,600	409,706,845		32,267,600	9,486,300	21,205,900	477,400,245	94	477,400,339	52,145,755	526,060,876	2.24
2020	4,627,600	408,915,145		32,380,300	9,506,300	21,205,900	476,635,245	94	476,635,339	52,426,455	510,274,077	2.29
2019	4,787,800	408,502,345		32,380,300	10,506,300	21,205,900	477,382,645	93	477,382,738	51,977,100	514,919,117	2.21
2018	4,745,800	408,349,375		32,396,800	10,506,300	20,916,100	477,098,075	94	476,914,469	52,333,400	509,197,496	2.17
2017	4,696,800	408,717,075	5,500	32,223,300	10,579,000	20,876,400	477,863,675	94	477,098,169	52,271,600	506,258,669	2.14
2016	4,719,400	409,121,975	5,500	32,492,300	10,648,100	20,876,400	478,745,130	93	477,863,768	52,300,600	515,828,765	2.07
2015	4,719,400	409,719,630	5,500	32,778,100	10,706,100	20,816,400	479,129,030	91	478,745,221	52,110,800	541,077,329	2.00
2014	4,719,400	410,223,830	5,500	32,599,300	10,715,100	20,865,900	480,659,630	284,018	479,413,048	52,161,100	530,998,495	1.90

- (1) Revaluation  
(2) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.  
(3) Tax Rates are per \$100.00 of Assessed Valuation.

Source: Burlington County Board of Taxation

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Unaudited)

Year Ended Dec. 31	District Direct Rate (1)				Overlapping Rates (1)		
	Basic Rate	Obligation Debt Service	School Tax Rate	Total Direct	Borough of Palmyra	Burlington County	Total Direct and Overlapping Tax Rate
2023	\$ 2.228	\$ 0.149	\$ 2.377	\$	1.387	0.470	\$ 4.234
2022	2.211	0.128	2.339		1.352	0.443	4.134
2021	2.040	0.203	2.243		1.313	0.434	3.990
2020	2.062	0.227	2.289		1.295	0.421	4.005
2019	1.986	0.220	2.206		1.243	0.430	3.879
2018	1.943	0.228	2.171		1.224	0.429	3.824
2017	1.905	0.237	2.142		1.200	0.433	3.775
2016	1.866	0.205	2.071		1.188	0.442	3.701
2015	1.793	0.208	2.001		1.177	0.470	3.648
2014	1.683	0.215	1.898		1.165	0.424	3.487

Source: Municipal Tax Collector

(1) Rate per \$100 of Assessed Value

(2) Revaluation

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Principal Property Tax Payers  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willow Shores LP	\$ 11,406,700	1	2.38%	11,365,900	1	2.37%
Boss Lady, LLC	3,500,000	2	0.73%	3,500,000	2	0.73%
River Villas Mew LLC	2,261,600	3	0.47%	2,261,600	3	0.47%
NAI Entertainment Holdings LLC	2,009,000	4	0.42%	2,009,000	5	0.42%
Philadelphia Sign Company	1,809,200	5	0.38%	1,809,200	6	0.38%
Taxpayer #1	1,530,300	6	0.32%	1,197,800	8	0.25%
Palmyra Holdings LLC	1,320,600	7	0.28%			
ROTO Cylinders, INC	1,247,800	8	0.26%	2,247,800	4	0.47%
Taxpayer #2	1,177,700	9	0.25%	1,177,700	9	0.25%
Taxpayer #3	1,173,600	10	0.24%			
Taxpayer #4				1,053,500	10	0.22%
David Drew Associates				1,260,600	7	0.26%
Total	\$ 27,943,100		3.34%	\$ 16,517,200		3.67%

Source: Municipal Tax Assessor

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2023	\$ 11,208,189	\$ 11,208,189	100%	
2022	10,711,921	10,711,921	100%	
2021	10,914,744	10,914,744	100%	
2020	10,533,845	10,533,845	100%	
2019	10,352,685	10,352,685	100%	
2018	10,223,639	10,223,639	100%	
2017	9,900,903	9,900,903	100%	
2016	9,581,947	9,581,947	100%	
2015	9,103,320	9,103,320	100%	
2014	8,554,332	8,554,332	100%	

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Percentage of		
	General Obligation Bonds (1)	Capital Leases	Bonds Authorized But not Issued		Total District	Personal Income (2)	Per Capita (3)
2023	\$ 4,440,000			\$ 4,440,000	0.87%	\$ 595	
2022	5,075,000			5,075,000	1.21%	676	
2021	5,555,000			5,555,000	1.23%	781	
2020	6,480,000			6,480,000	1.52%	912	
2019	7,365,000			7,365,000	1.73%	1,037	
2018	8,260,000			8,260,000	1.93%	1,155	
2017	9,165,000			9,165,000	2.14%	1,278	
2016	10,335,000			10,335,000	2.50%	1,436	
2015	11,220,000			11,220,000	2.76%	1,548	
2014	11,940,000			11,940,000	3.06%	1,637	

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income.
- (3) Per capita personal income by county-estimated based upon the 2010 Census published

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2023	\$ 4,440,000		\$ 4,440,000	0.70%	\$ 595
2022	5,075,000		5,075,000	0.90%	676
2021	5,555,000		5,555,000	1.06%	781
2020	6,480,000		6,480,000	1.27%	912
2019	7,365,000		7,365,000	1.43%	1,037
2018	8,260,000		8,260,000	1.62%	1,155
2017	9,165,000		9,165,000	2.00%	1,278
2016	10,335,000		10,335,000	2.07%	1,436
2015	11,220,000		11,220,000	2.25%	1,548
2014	11,940,000		11,940,000	2.39%	1,637

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Direct and Overlapping Governmental Activities Debt

As of December 31, 2022

(Unaudited)

	Gross Debt	Deductions	Statutory Net Debt Outstanding	Net Debt Outstanding Allocated to Palmyra Borough
Municipal Debt: (1)				
Palmyra Borough Local School District	\$ 5,075,000	\$ 5,075,000	\$	\$
Palmyra Borough Sewer Utility	7,043,001	7,043,001		
Palmyra Borough	14,200,524	413,850	13,786,674	13,786,674
	<u>\$ 26,318,525</u>	<u>\$ 12,531,851</u>	<u>\$ 13,786,674</u>	<u>\$ 13,786,674</u>
Overlapping Debt Apportioned to the Municipality:				
County of Burlington: (2)				
General:				
Bonds	\$ 153,750,000	\$ 10,995,000	\$ 142,755,000	\$ 1,519,731
Bonds Authorized but not Issued	18,781,707	5,341,626	13,440,081	
Bonds Issued by Other Public Bodies				
Guaranteed by the County	367,186,840	362,025,500	5,161,340	
Solid Waste Utility	44,368,193	44,368,193		
	<u>584,086,740</u>	<u>422,730,319</u>	<u>161,356,421</u>	<u>1,519,731</u>
	<u>\$ 610,405,265</u>	<u>\$ 435,262,170</u>	<u>\$ 175,143,095</u>	<u>\$ 15,306,405</u>

Sources:

- (1) 2021 Annual Debt Statement
- (2) County's 2020 Audit Report

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Legal Debt Margin Information

Last Ten Fiscal Years  
(Unaudited)

**Legal Debt Margin Calculation for Fiscal Year 2022**

Equalized Valuation Basis (1):	
2022	\$ 631,591,016
2021	559,016,680
2020	525,217,901
<b>[A]</b>	<b>\$ 1,715,825,597</b>
Average Equalized Valuation of Taxable Property	
<b>[A/3]</b>	<b>\$ 571,941,866</b>
Debt Limit (4% of Average Equalization Value) (2)	
<b>[B]</b>	<b>22,877,675</b>
Total Net Debt Applicable to Limit (3)	
<b>[C]</b>	<b>4,440,000</b>
Legal Debt Margin	
<b>[B-C]</b>	<b>\$ 18,437,675</b>

	Fiscal Year Ended June 30,										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Debt Limit	\$ 22,877,675	\$ 21,251,702	\$ 20,637,834	\$ 20,426,844	\$ 20,392,550	\$ 20,443,263	\$ 20,871,496	\$ 21,209,348	\$ 21,399,907	\$ 21,650,176	
Total Net Debt Applicable to Limit (3)	4,440,000	5,075,000	5,555,000	6,480,000	7,365,000	8,260,000	9,165,000	10,335,000	11,220,000	4,440,000	
Legal Debt Margin	\$ 18,437,675	\$ 16,176,702	\$ 15,082,834	\$ 13,946,844	\$ 13,027,550	\$ 12,183,263	\$ 11,706,496	\$ 10,874,348	\$ 10,179,907	\$ 9,710,176	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.41%	23.88%	26.92%	31.72%	36.12%	40.40%	43.91%	48.73%	52.43%	55.15%	

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)

<u>Year</u>		<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2023	*	7,465	\$ 508,453,587	\$ 68,113	3.85%
2022		7,461	420,486,073	68,801	3.50%
2021		7,424	453,343,914	69,496	5.60%
2020		7,135	426,806,946	67,154	8.50%
2019		7,149	428,523,181	63,528	3.30%
2018		7,158	428,874,531	61,140	3.90%
2017		7,177	427,993,666	59,271	4.20%
2016		7,202	413,719,331	57,583	4.50%
2015		7,252	406,145,000	55,925	5.00%
2014		7,296	390,148,766	53,572	6.30%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

\* Estimates

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Principal Non-Governmental Employers

Previous Year and Nine Years Ago

(Unaudited)

Employer	2023			2013		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Quality Management Associates						
Quality Management Associates, LLC						
Burlington County Bridge Commission						
Philadelphia Sign Company						
Dunkin' Donuts Northeast Distribution Ctr.						
Wawa						
Maids of Honor						
Bridge Machine Company						
Callahan Chemical Co.						
Quality Management						
	-		0.00%	-		-

INFORMATION  
NOT AVAILABLE

INFORMATION  
NOT AVAILABLE

Source: Burlington County Economic Resource Guide

\*Information for Burlington County. The number of employees per company was not given.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	64	64	64	61	61	59	65	65	64	59
Special education	29	29	29	30	27	26	26	27	27	27
Athletics	2	2	2	2	2	2	3	3	3	3
Adult/continuing education programs										
Support Services:										
Student & instruction related services	16	16	16	20	19	24	24	22	22	26
School administrative services	9	9	9	9	8	6	5	6	5	6
General and business administrative services	7	7	7	7	8	7	6	6	5	6
Plant operations and maintenance	16	16	16	16	19	19	14	14	14	16
Business and other support services	4	4	4		2	2	1	2	2	2
Child Care	1	1	1	1	1	1	1	1	1	1
Total	148	148	148	146	147	145	145	142	145	152

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Operating Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30,	Resident Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School				
2023	1,095	\$ 25,373,944	\$ 23,173	9.05%	91	1:11.0	1:11.0	976	907	4.50%	92.93%
2022	969	22,694,578	23,421	10.21%	91	1:11.0	1:11.0	969	932	3.75%	96.18%
2021	934	19,847,884	21,250	2.10%	91	1:12.0	1:11.0	934	885	1.74%	94.75%
2020	938	19,523,188	20,814	2.90%	91	1:14.0	1:14.0	918	885	-0.65%	96.41%
2019	919	15,589,789	20,228	5.98%	90	1:14.0	1:14.0	924	880	-0.65%	95.24%
2018	932	17,788,387	19,086	-1.14%	86	1:14.0	1:11.0	930	879	4.45%	94.52%
2017	895	17,279,812	19,307	9.44%	93	1:11.0	1:8.33	890	842	-4.85%	94.53%
2016	941	16,601,354	17,642	4.11%	92	1:12.0	1:10.0	936	877	-0.91%	93.78%
2015	945	16,013,409	16,945	1.59%	91	1:10.0	1:11.0	944	889	-1.17%	94.11%
2014	960	16,013,409	16,681	#REF!	86	1:13.0	1:12.0	956	902	-0.87%	94.39%

Sources: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

School Building Information

Last Ten Fiscal Years

(Unaudited)

District Building	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary										
Charles Street Elementary (1958)										
Square Feet	62,884	62,884	62,884	62,884	62,884	62,884	62,884	62,884	62,884	62,884
Capacity (students)	705	705	705	705	705	705	705	705	705	705
Enrollment	529	372	360	353	459	495	495	520	525	529
Delaware Avenue Elementary (1956)										
Square Feet	11,539	11,539	11,539	11,539	11,539	11,539	11,539	11,539	11,539	11,539
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment										
Senior High School										
Junior/Senior High School (1922)										
Square Feet	99,248	99,248	99,248	99,248	99,248	99,248	99,248	99,248	99,248	99,248
Capacity (students)	765	765	765	765	765	765	765	765	765	765
Enrollment	566	597	574	585	460	400	400	421	420	431

Number of Schools at June 30, 2023

Elementary School = 2

Junior/Senior High School = 1

Other = 0

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Schedule of Required Maintenance

Last Ten Fiscal Years

(Unaudited)

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES (11-000-261-XXX)**

School Facilities*	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Charles Street School	\$ 185,245	\$ 242,174	\$ 194,612	\$ 189,591	\$ 165,310	\$ 130,952	\$ 132,314	\$ 115,208	\$ 132,252	\$ 111,027
Delaware Avenue School	238,724	153,443	37,841	36,865	32,144	25,462	25,728	22,402	18,466	21,589
Junior/Senior High School	525,622	28,156	298,076	300,186	261,740	207,343	209,498	182,413	183,820	176,807
Total School Facilities	<u>\$ 949,591</u>	<u>\$ 423,773</u>	<u>\$ 530,529</u>	<u>\$ 526,642</u>	<u>\$ 459,194</u>	<u>\$ 363,757</u>	<u>\$ 367,540</u>	<u>\$ 320,023</u>	<u>\$ 334,538</u>	<u>\$ 309,423</u>

\* School Facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Insurance Schedule

June 30, 2023

(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Boiler and Machinery	\$ 100,000,000	\$ 2,500
General and Automobile Liability	5,000,000	
Property & Auto Physical Damage	500,000,000	2,500/1,000
Cyber Liability	2,000,000	10,000
Comprehensive Crime Coverage		
Money and Securities	50,000	
Blanket Dishonesty Bond	100,000 person/ 500,000 per loss	
Computer Fraud	50,000	
Forgery and Alteration	50,000	
Environmental Impairment Liability	1,000,000	5,000
School Excess Liability	10,000,000	10,000
School Leaders Professional Liability	5,000,000	10,000
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Student Accident Liability (1)	1,000,000	
Surety Bonds (2)		
Treasurer	250,000	
Board Secretary	175,000	

(1) School Alliance Insurance Fund

(2) National Union Fire Insurance Company of Pittsburgh, PA

Source: District Records

## **SINGLE AUDIT SECTION**

# **NIGHTLINGER, COLAVITA & VOLPA**

*A Professional Association*

**Certified Public Accountants**

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and  
Members of the Board of Education  
Palmyra Borough School District  
County of Burlington, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Palmyra Borough School District's basic financial statements, and have issued our report thereon dated November 15, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Palmyra Borough Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Palmyra Borough Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Palmyra Borough Board of Education's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Palmyra Borough Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and is described in the accompanying schedule of findings and questioned costs.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**

Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 15, 2023

# **NIGHTLINGER, COLAVITA & VOLPA**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

The Honorable President and  
Members of the Board of Education  
Palmyra Borough School District  
County of Burlington, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

#### ***Opinion on Each Major Federal and State Program***

We have audited The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Palmyra Borough School District, in the County of Burlington, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**

Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 15, 2023



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards - Schedule A  
For the Fiscal Year Ended June 30, 2023

Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2022	Carry-over / (Walkover) Amount	Cash Received	Adjust- ment	Budgetary	Total	(Accounts Receivable)	Unearned Revenue
					From	To					Pass-Through Funds	Budgetary Expenditures		
U.S. Department of Health and Human Services:														
Passed-through the State Department of Education:														
General Fund:														
Medicaid Administrative Claiming Aid	93.778	2005NJ5MAP	Unavailable	\$ 20,455	07-01-21	06-30-23	\$	\$	\$ 20,455	\$	(20,455)	\$ (20,455)		
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	Unavailable	3,955	07-01-21	06-30-22	(1,389)		1,389					
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	Unavailable	7,679	07-01-22	06-30-23			7,679		(7,679)	(7,679)		
Total General Fund:							(1,389)		29,523		(28,134)	(28,134)		
U.S. Department of Education:														
Passed-through State Department of Education:														
E.S.E.A.:														
Title I, Part A	84.010	S010A210030	ESEA392022	187,752	07-01-21	09-30-22	(14,245)		14,245					
Title I, Part A	84.010	S010A220030	ESEA392023	165,442	07-01-22	09-30-23			115,676		(167,705)	(167,705)	\$ (52,029)	
Title I, SIA, Part A	84.010	S010A210030	ESEA392022	86,185	07-01-21	09-30-22	(2,414)		2,414					
Title I, SIA, Part A	84.010	S010A220030	ESEA392023	37,300	07-01-22	09-30-23			59,942		(81,012)	(81,012)	(21,070)	
Title II, Part A	84.367A	S367A210029	ESEA392022	22,395	07-01-21	09-30-22	(79)		79					
Title II, Part A	84.367A	S367A220029	ESEA392023	22,937	07-01-22	09-30-23			24,117		(25,017)	(25,017)	(900)	
Title IV, Part A	84.424A	S424A220031	ESEA392023	15,379	07-01-22	09-30-23			17,684		(17,684)	(17,684)		
IDEA Cluster:														
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA392022	297,597	07-01-21	09-30-22	(11,445)		11,445					
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA392023	32,462	07-01-22	09-30-23			296,517		(303,391)	(303,391)	(6,874)	
I.D.E.A. Part B, Pre-school	84.173A	H173A210114	IDEA392022	7,808	07-01-21	09-30-22	(785)		785					
I.D.E.A. Part B, Pre-school	84.173A	H173A220114	IDEA392023	9,006	07-01-22	09-30-23			8,106		(9,006)	(9,006)	(900)	
ARP IDEA Part B Basic	84.027X	H027X210100	IDEA392022	45,838	07-01-21	09-30-22	(45,609)		45,838		(229)	(229)		
ARP IDEA Part B, Pre-school	84.173X	H173X210114	IDEA392022	3,899	07-01-21	09-30-22	(1,225)		3,660		(2,435)	(2,435)		
Education Stabilization Fund:										(1,841)				
CARES Act	84.425D	S425D200027	CARES392022	184,222	03-13-20	09-30-22	1,841							
CRRSA:														
ESSER II	84.425D	S425D210027	CRRSA-3920-23	716,034	03-13-20	09-30-23	(57,680)		70,630		(52,700)	(52,700)	(39,750)	
Learning Acceleration	84.425D	S425D210027	CRRSA-3920-23	45,951	03-13-20	09-30-23	(4,200)		11,731		(7,573)	(7,573)	(42)	
Mental Health	84.425D	S425D210027	CRRSA-3920-23	45,000	03-13-20	09-30-23	(15,780)		16,530		(750)	(750)		
ARP Consolidated:														
ARP ESSER III	84.425U	S425U210027	ARP-3920-24	1,609,240	3/13/20	9/30/24			911,009		(986,748)	(986,748)	(75,739)	
Accelerated Learning (Instruction)	84.425U	S425U210027	ARP-3920-24	78,700	3/13/20	9/30/24			75,000		(78,000)	(78,000)	(3,000)	
Summer Learning	84.425U	S425U210027	ARP-3920-24	40,000	3/13/20	9/30/24			36,100		(36,100)	(36,100)		
Beyond the School Day	84.425U	S425U210027	ARP-3920-24	40,000	3/13/20	9/30/24			16,647		(17,882)	(17,882)	(1,235)	
Mental Health Staffing (Emergency)	84.425U	S425U210027	ARP-3920-24	88,501	3/13/20	9/30/24			82,344		(88,443)	(88,443)	(6,099)	
Homeless	84.425U	S425U210027	ARP-3920-24	14,009	3/13/20	9/30/24			14,009		(14,009)	(14,009)		
Total Special Revenue Fund							(151,621)		1,834,508	(1,841)	(1,888,684)	(1,888,684)	(207,638)	
U.S. Department of Agriculture:														
Passed-through State Department of Agriculture:														
Enterprise Fund:														
Non-Cash Assistance (Food Distribution):								6,238						
Food Distribution Program	10.565	Unknown	Unavailable	41,660	07-01-21	06-30-22			62,871		(6,238)	(6,238)		13,834
Food Distribution Program	10.565	Unknown	Unavailable	62,871	07-01-22	06-30-23					(49,037)	(49,037)		
Child Nutrition Cluster:														
Cash Assistance:														
National School Breakfast Program	10.553	221NJ304N1099	Unavailable	53,252	07-01-21	06-30-22	(3,678)		3,678					
National School Breakfast Program	10.553	221NJ304N1199	Unavailable	36,996	07-01-22	06-30-23			34,315		(36,996)	(36,996)	(2,681)	
National School Lunch Program	10.555	221NJ304N1099	Unavailable	493,068	07-01-21	06-30-22	(21,645)		21,645					
National School Lunch Program	10.555	221NJ304N1199	Unavailable	192,883	07-01-22	06-30-23			183,149		(192,883)	(192,883)	(9,734)	
Supply Chain Assistance Funding	10.555	221NJ344N8903	Unavailable	23,801	07-01-21	06-30-22	(23,801)		23,801					
Supply Chain Assistance Funding	10.555	231NJ344N8903	Unavailable	34,722	07-01-22	06-30-23			34,722		(34,722)	(34,722)		
Total Enterprise Fund							(49,124)	6,238	364,181		(319,876)	(319,876)	(12,415)	13,834
Total Federal Financial Assistance							\$ (202,134)	\$ 6,238	\$ 2,228,212	\$ (1,841)	\$ (2,236,694)	\$ (2,236,694)	\$ (220,053)	\$ 13,834

(A) See Notes to the Schedules of Expenditures of Federal Awards and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

**Schedule of Expenditures of State Financial Assistance - Schedule B**

For the Fiscal Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Balance June 30, 2023			Memo						
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor	Cash Received	Total Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures			
State Department of Education:																
General Fund:																
Equalization Aid	23-495-034-5120-078	5,362,445	07-01-22	06-30-23			\$ 4,894,247	\$ (5,362,445)	\$ (468,198)	\$	\$ (468,198)	\$ (5,362,445)				
Special Education Categorical Aid	23-495-034-5120-089	696,197	07-01-22	06-30-23			635,412	(696,197)	(60,785)		(60,785)	(696,197)				
Security Aid	23-495-034-5120-084	218,608	07-01-22	06-30-23			199,521	(218,608)	(19,087)		(19,087)	(218,608)				
Adjustment Aid	23-495-034-5120-085	102,575	07-01-22	06-30-23			93,619	(102,575)	(8,956)		(8,956)	(102,575)				
Transportation Aid	23-495-034-5120-014	97,770	07-01-22	06-30-23			89,234	(97,770)	(8,536)		(8,536)	(97,770)				
Extraordinary Aid	22-100-034-5120-044	301,343	07-01-21	06-30-22		\$ (301,343)	301,343									
Extraordinary Aid	23-100-034-5120-044	336,413	07-01-22	06-30-23				(336,413)				(336,413)				
Maintenance of Equity Aid	21-495-034-5120-128	193,230	07-01-20	06-30-21		(193,230)	193,230									
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	587,874	07-01-21	06-30-22		(28,408)	28,408									
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	621,407	07-01-22	06-30-23			552,982	(621,407)	(68,425)			(621,407)				
On-behalf T.P.A.F. Pension Contrib - Normal Cost	23-495-034-5094-002	2,670,550	07-01-22	06-30-23				(2,670,550)	(2,670,550)			(2,670,550)				
On-behalf T.P.A.F. Pension Contrib - Post-Retirement Med	23-495-034-5094-001	701,547	07-01-22	06-30-23				(701,547)	(701,547)			(701,547)				
On-behalf T.P.A.F. Pension Contrib - Long Term Disability	23-495-034-5094-004	1,135	07-01-22	06-30-23				(1,135)	(1,135)			(1,135)				
Total General Fund					(522,981)		6,987,996	(10,808,647)	(4,343,632)		(565,562)	(10,808,647)				
Special Revenue Fund:																
Preschool Education Aid	23-495-034-5120-086	540,192	07-01-22	06-30-23			486,173	(502,661)	(54,019)	37,531	(54,019)	(502,661)				
School Climate Change Pilot	23E00365	6,660	07-01-22	06-30-23				(4,497)	(4,497)			(4,497)				
Debt Service Fund:																
Debt Service Aid Type II	23-100-034-5120-017	107,018	07-01-22	06-30-23			107,018	(107,018)				(107,018)				
Total Debt Service Fund:							107,018	(107,018)				(107,018)				
New Jersey Department of Agriculture:																
Enterprise Fund:																
State School Breakfast Program	23-100-010-3350-023	857	07-01-22	06-30-23			796	(857)	(61)			(857)				
State School Lunch Aid	22-100-010-3350-023	11,585	07-01-21	06-30-22	(498)		498									
State School Lunch Aid	23-100-010-3350-023	8,058	07-01-22	06-30-23			7,634	(8,058)	(424)			(8,058)				
Total Enterprise Fund					(498)		8,928	(8,915)	(485)			(8,915)				
Total State Financial Assistance					\$ (523,479)		\$ 7,590,115	\$ (11,431,738)	\$ (4,402,633)	\$ 37,531	\$ (565,562)	\$ (11,431,738)				
Less: On-Behalf TPAF Pension System Contributions																
On-behalf T.P.A.F. Pension Contrib. - Normal Cost	23-495-034-5094-002	2,670,550	07-01-22	06-30-23			\$ 2,670,550	\$ (2,670,550)								
On-behalf T.P.A.F. Pension Contrib. - Post-Retire. Medical	23-495-034-5094-001	701,547	07-01-22	06-30-23			701,547	(701,547)								
On-behalf T.P.A.F. Pension Contrib. - Long Term Disability	23-495-034-5094-004	1,135	07-01-22	06-30-23			1,135	(1,135)								
Total General Fund (Non-Cash Assistance)							3,373,232	(3,373,232)								
Total State Financial Assistance - Major Program Determination							\$ 4,216,883	\$ (8,058,506)								

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.  
The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2023**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Borough of Palmyra School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.*, 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(127,388) for the general fund and \$(54,019) for the special revenue fund. See Exhibit C-3 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**BOROUGH OF PALMYRA SCHOOL DISTRICT.**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2023**

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

	Federal	State	Total
General Fund	\$ 28,134	\$ 10,681,259	\$ 10,709,393
Special Revenue Fund	1,888,684	453,139	2,341,823
Debt Service Fund		107,018	107,018
Food Service Fund	319,876	8,915	328,791
Total Awards & Financial Assistance	\$ 2,236,694	\$ 11,250,331	\$ 13,487,025

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

Borough of Palmyra School District had no outstanding loans at June 30, 2023.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 9: ADJUSTMENTS**

As of June 30, 2023, there was one immaterial adjustment reflected on Schedule A, in the amount of (\$1,874). There was no adjustment reflected on Schedule B.

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? \_\_\_\_\_ yes X no

2) Significant deficiencies identified? \_\_\_\_\_ yes X no

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

1) Material weakness (es) identified? \_\_\_\_\_ yes X no

2) Significant deficiencies identified? \_\_\_\_\_ Yes X no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? \_\_\_\_\_ yes X no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425D	S425D21027	Education Stabilization Fund:
84.425U	S425U21027	CRRSSA Consolidated
		ARP Consolidated
		Special Education Cluster (IDEA):
84.027A	IDEA392023	IDEA Part B Basic
84.173A	IDEA392023	IDEA Part B Preschool
84.027X	IDEA392022	ARP IDEA Part B Basic
84.173X	IDEA392022	ARP IDEA Part B Preschool

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

**Section I - Summary of Auditor's Results (continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?       X       yes                      no

Internal control over major programs:

1) Material weakness (es) identified?                      yes       X       no

2) Significant deficiencies identified that  
are not considered to be material  
weaknesses?                      yes       X       no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with NJOMB  
Circular Letter 15-08                      yes       X       no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-085	Adjustment Aid
23-100-034-5120-044	Extraordinary Aid

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding: None**

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**

**Finding:** None

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS**

**Finding:** None

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.